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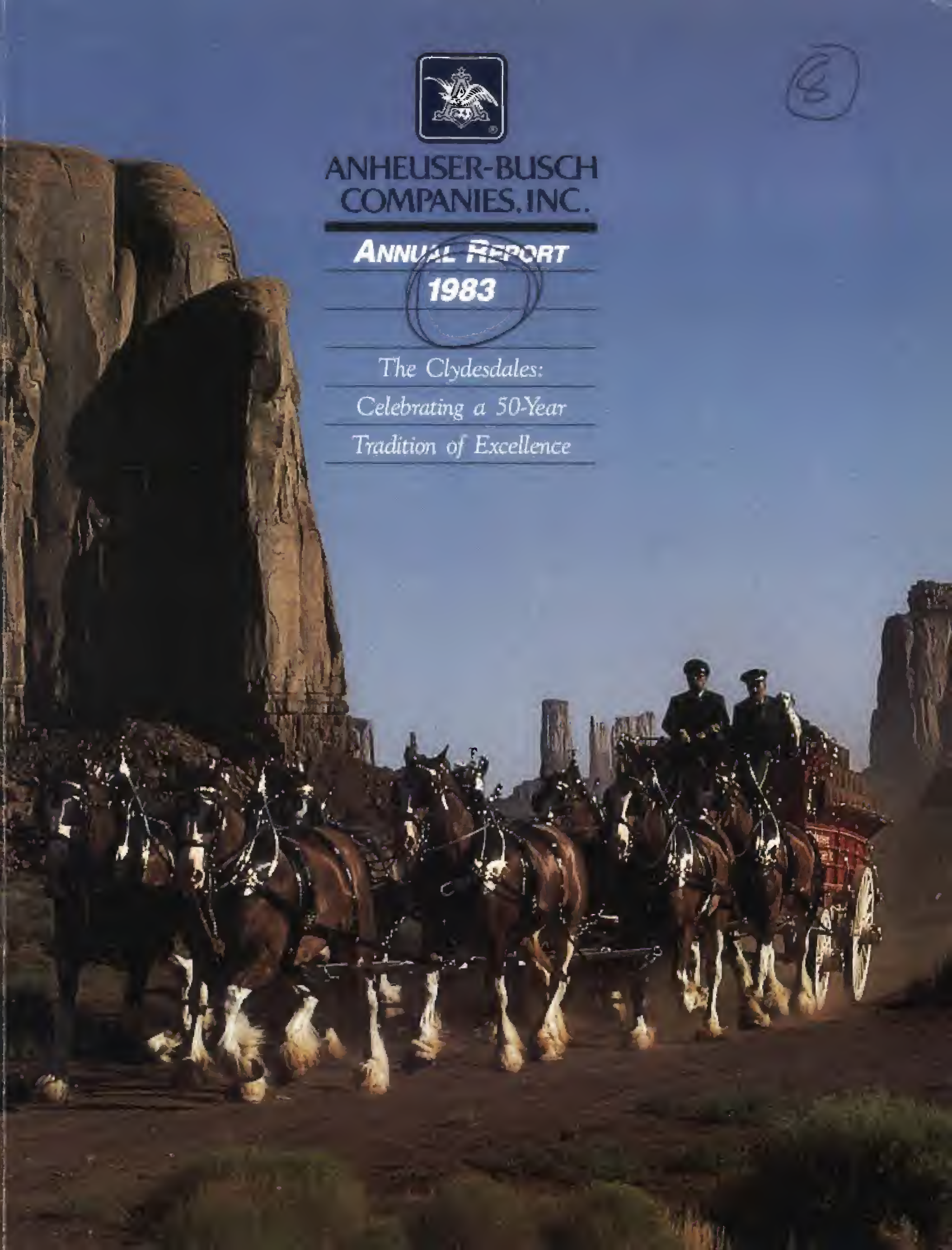
ANHEUSER-BUSCH COMPANIES, INC.

ANNUAL REPORT 1983

The Clydesdales:
Celebrating a 50-Year
Tradition of Excellence



Contents

1983 Financial Highlights	1
Letter to Shareholders	2
Operations Review:	
Anheuser-Busch Companies, Inc.	5
Brewing Operations	9
Beer-Related Operations	16
Food Products Operations	19
Diversified Operations	24
Joint Ventures	28
Financial Review	29
Investor Information	54
Officers	56
Directors	58

ABOUT THE COVER:

The Clydesdales: Celebrating a 50-Year Tradition of Excellence

On April 7, 1933, the day Prohibition was repealed, August A. Busch, Jr., now honorary chairman of the board of Anheuser-Busch Companies, presented the first Clydesdale hitch to his father. As a life-long horse lover, he decided that these magnificent animals were a fitting symbol for the celebration of such an auspicious occasion. And so the horses are now a part of the tradition of the King of Beers—and a proud symbol of the tradition of excellence at Anheuser-Busch Companies.

(8)

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13
OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1983 **Commission file number 1-7823**

+ Annual Report 83

ANHEUSER-BUSCH COMPANIES, INC.

(Exact name of registrant as specified in charter)

DELAWARE	43-1162835
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Busch Place, St. Louis, Missouri	**63118**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 314-577-3314

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock—$1 par value	New York Stock Exchange
Series A Convertible Preferred Stock	New York Stock Exchange
5.45% Debentures, due March 1, 1991	New York Stock Exchange
6% Debentures, due July 1, 1992	New York Stock Exchange
7.95% Sinking Fund Debentures, due February 1, 1999	New York Stock Exchange
9.20% Sinking Fund Debentures, due April 1, 2005	New York Stock Exchange
8.55% Sinking Fund Debentures, due September 1, 2008	New York Stock Exchange
9.90% Notes, due September 1, 1986	New York Stock Exchange
11⅞% Sinking Fund Debentures, due October 1, 2012	New York Stock Exchange
15⅜% Notes, due May 1, 1991	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No __.

State the aggregate market value of the voting stock held by nonaffiliates of the registrant.

$2,791,301,000 as of February 29, 1984

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

$1 Par Value Common Stock 48,424,673 shares as of March 15, 1984

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Annual Report to Shareholders for the Year ended December 31, 1983 .... PART I, PART II, and PART IV

Portions of Definitive Proxy Statement for Annual Meeting of Shareholders on April 25, 1984 .... PART III

PART I

Item 1. *Business*

Anheuser-Busch Companies, Inc. is a Delaware corporation that was organized in 1979 as the holding company parent of Anheuser-Busch, Incorporated ("ABI"), a Missouri corporation whose origins date back to 1875. In addition to ABI, which is the world's largest brewer of beer, Anheuser-Busch Companies, Inc. is also the parent corporation to a number of subsidiaries that conduct various other business operations, including those related to the brewing of beer and the production and sale of food and food-related products.

Except where the context indicates otherwise, the term "Company" as used herein refers to ABI and its consolidated subsidiaries for dates and time periods prior to October 1, 1979 and to Anheuser-Busch Companies, Inc. and its consolidated subsidiaries for dates and time periods thereafter.

Financial information with respect to the Company's business segments appears in financial note 13, "Business Segments," on page 45 of the 1983 Annual Report to Shareholders, which note is incorporated by reference.

Beer and Beer-related Operations

The Company's principal product is beer, produced and distributed by its subsidiary, ABI, in a variety of containers under the brand names Budweiser, Michelob, Busch, Bud Light, Michelob Light, Natural Light and Michelob Classic Dark. A new light alcohol beer, L A from Anheuser-Busch, will be introduced into selected test markets throughout the country beginning in April, 1984. ABI is also planning to introduce a malt liquor into test markets in the second quarter of 1984. Sales of beer by the Company aggregated 60.5 million barrels in 1983, as compared with 59.1 million barrels in 1982, and accounted for approximately 74% of consolidated net sales dollars in 1983. Sales of beer accounted for 90% and 92% of net sales dollars in 1982 and 1981, respectively. The smaller percentage of net sales dollars for 1983 is due to the acquisition of Campbell Taggart, Inc. on November 2, 1982.

Budweiser, Michelob, Busch, Michelob Light, Natural Light and Bud Light are produced and sold in both draught and package form. Michelob Classic Dark is primarily sold in draught form. During 1983, ABI began test marketing Michelob Classic Dark in selected markets in package form. Budweiser, Bud Light, Michelob, Michelob Light and Natural Light are distributed and sold on a nationwide basis. Michelob Classic Dark is sold in 40 states. During 1983, Busch expanded its market by being introduced in three additional Eastern states and plans call for its introduction in three Southwestern states in early 1984, bringing its distribution to 34 states.

Normally, sales of ABI's beers are at their lowest volume level in the first and fourth quarters of each year and at their highest in the second and third quarters. In 1983, the barrels sold in the lowest quarter differed by approximately 17% from the barrels sold in the highest quarter.

ABI has developed a system of eleven breweries, strategically located across the country, to economically serve its distribution system. (See Item 2 of Part I — Properties.) ABI is continuing its expansion and modernization program at a number of these breweries. A major expansion of the Houston brewery, which was announced in 1982 and is currently underway, is expected to increase that plant's capacity to 8.5 million barrels per year. Other expansions, packaging line additions and modernization projects are currently underway at virtually all other breweries. The Baldwinsville, New York brewery, which was purchased from Jos. Schlitz Brewing Co. in 1980 and thereafter extensively modified, began full production in early 1983. The production provided by the Baldwinsville brewery, together with the expansion programs, will increase annual shipping capacity to 75 million barrels by the mid-1980s. The Company is currently developing plans for the possible construction of a twelfth brewery near Fort Collins, Colorado.

During 1983, approximately 93% of the beer sold by ABI, measured in barrels, reached retail channels through approximately 950 independent wholesalers. ABI utilizes its regional, divisional and district managers, as well as certain other field sales personnel, to monitor compliance with product handling and merchandising policies and to provide counsel, guidance and sales assistance to its wholesalers. In addition, ABI provides national and local media advertising, point-of-sale advertising and sales promotion programs to help stimulate sales. The remainder of ABI's domestic beer sales in 1983 were made through fifteen branches (wholesale outlets) owned and operated by ABI, which perform sales, merchandising and delivery services as wholesalers in their respective areas.

There are 45 companies engaged in brewing in the United States, and the beer industry is highly competitive. ABI's beers are sold in competition with other nationally distributed beers, with locally and regionally distributed beers and,

to a lesser extent, with imported beers. ABI's beers compete in different price categories. Although all brands compete against the total market, Budweiser and Bud Light primarily compete with premium priced beers. Michelob, Michelob Light and Michelob Classic Dark primarily compete with super premium priced beers. Busch and Natural Light primarily compete with popular priced beers. Since 1957, ABI has led the United States brewing industry in total sales volume. In 1983 its sales exceeded those of its nearest competitor by approximately 23 million barrels and constituted approximately 32.5% of industry sales volume, including imports. Major competitors in the United States brewing industry during 1983 included Philip Morris, Inc. (through its subsidiary Miller Brewing Co.), Stroh Brewing Co., G. Heileman Brewing Co., Inc., Pabst Brewing Company, and Adolph Coors Co.

Through various subsidiaries, the Company is involved in a number of beer-related operations. Anheuser-Busch International, Inc., a wholly-owned subsidiary of the Company, negotiates and administers licensed brewing contracts on behalf of ABI with various foreign brewers. The Labatt Brewing Company Limited brews Budweiser for sale in Canada and markets Michelob beer imported from the United States. Suntory Limited markets Budweiser beer in Japan and will begin brewing Budweiser in 1984. Société Européenne de Brasseries, a subsidiary of BSN-Gervais Danone, brews and markets a beer under the brand name of Busch in France. Israel's National Brewery Limited will begin local brewing of Budweiser in the spring of 1984. A licensed brewing agreement was recently signed in the United Kingdom, and Budweiser is expected to be produced and distributed in at least one region of the United Kingdom by the spring of 1984. The Company's beer products are also being sold on a limited basis under import-distribution agreements in Sweden, Finland, New Zealand, Australia, Chile, Peru, Colombia, Panama, the United Kingdom, Guam, American Samoa, the People's Republic of China, Singapore, and Hong Kong and to the U.S. military and diplomatic corps outside the continental United States.

The Company's wholly-owned subsidiary, Metal Container Corporation, manufactures beer cans at plants in Arnold, Missouri, Columbus, Ohio, and Jacksonville, Florida and beer can ecology lids at a plant in Gainesville, Florida which began production in 1982. Another wholly-owned subsidiary, Container Recovery Corporation, recycles non-refillable cans and bottles and operates refillable bottle sorting facilities in Marion, Ohio and Nashua, New Hampshire.

The Company's wholly-owned subsidiary, Busch Agricultural Resources, Inc. ("BARI"), processes barley into brewer's malt at plants in Manitowoc, Wisconsin and Moorhead, Minnesota. BARI also operates rice drying and storage facilities in Arkansas and Missouri and a rice milling facility in Arkansas, which began operations at the end of 1982. A major expansion of the Manitowoc malt plant was completed in December 1983, increasing the capacity of that plant by almost 50%. During 1983 BARI also leased a grain elevator in Fargo, North Dakota and acquired turf farm operations in Jacksonville, Florida and Houston, Texas.

The Company's wholly-owned subsidiary, Metal Label Corporation, is engaged in a joint venture with Illochroma International, S. A., of Brussels, Belgium, for the production of metalized beer labels for ABI and metalized labels for others. The joint venture, known as International Label Company, operates a paper metalizing and printing plant near Clarksville, Tennessee.

Food Products

The Company's wholly-owned subsidiary, Campbell Taggart, Inc. ("CTI"), is a holding company whose operating subsidiaries are principally involved in the production and distribution of baked goods, refrigerated dough products, and frozen and packaged foods for sale to retail and food service companies.

Fifty-one of CTI's domestic subsidiaries operate a total of 57 bakeries; one subsidiary operates three refrigerated dough plants, four cake, variety bread and snack food plants, two cookie and cracker plants, two refrigerated salad dressing, snack dips and toppings manufacturing plants, and a plant that makes cartons; one operates a frozen Mexican food plant; one operates a prepared sandwich production facility; one operates a refrigerated warehouse in Puerto Rico; one is an advertising subsidiary; and one sells imported and domestic novelty merchandise. These bakeries and manufacturing plants are located in 22 states. CTI has two European subsidiaries, one of which operates five bakeries in Spain and has another bakery under construction, and the other operates a refrigerated dough plant in France. CTI owns 50% of the stock of a Brazilian corporation that operates an automated bakery in Rio de Janeiro.

Baking and Refrigerated Dough Operations

The principal products of the baking and refrigerated dough operations are baked bread, rolls, cake and other sweet goods and crackers, and refrigerated biscuits, rolls and sweet goods. Baked products are sold principally on a

wholesale basis throughout the southeast, midwest, and southwest United States, and in Spain. The majority of the bakery products are sold under the brand names Colonial, Rainbo, Kilpatrick's, and Earth Grains. These sales are to grocers, restaurants and institutions, in areas usually within 100 miles of the producing bakery, through that bakery's direct store route delivery system. There are sales between domestic subsidiaries, principally of cake, variety bread and other specialty items, which are then sold and distributed by the purchasing subsidiary through its route sales representatives. Refrigerated dough products, most of which are sold under private or controlled label agreements, are distributed throughout the United States and the European economic community, principally by direct sales to large wholesale purchasers or through independent brokers, for delivery by refrigerated tractor-trailer units. The refrigerated dough subsidiary is not engaged in any direct retail sales of these products. Certain products produced by the baking subsidiaries and others, however, are sold on a retail basis through discount stores operated by such subsidiaries.

The bakeries of CTI's subsidiaries compete with other wholesale bakeries, large grocery chains that have vertically integrated bakeries, small retail bakeries, and with many producers of alternative foods. The baking business is, to a large extent, a localized business, and the names and number of competitors vary from city to city. The refrigerated dough division competes predominately with the other major company in that industry, Pillsbury Co., and its refrigerated dough product line competes with other alternative foods. Based upon aggregate sales, the Company believes that CTI baking and refrigerated dough subsidiaries collectively are the second largest producer of bread and bread-type products and the second largest producer of refrigerated dough products in the United States.

Other Food Products

CTI, through its subsidiaries, also produces and sells frozen and packaged Mexican food to the wholesale and retail grocery trade under the El Charrito brand name. The Mexican food products are sold in approximately two-thirds of the major marketing areas of the United States. The prepared Mexican food operation is believed to be the third largest producer of prepared Mexican foods for retail sale in the United States.

CTI subsidiaries produce and sell brand name frozen stuffed potatoes, frozen and refrigerated sandwiches, and frozen garlic bread to the retail grocer trade. CTI subsidiaries also manufacture a variety of wholesale food products for the food service industry, including refrigerated dough and frozen Mexican foods. Various subsidiaries also produce refrigerated salad dressing, snack dips and toppings, and fresh and frozen sandwiches. These products are sold throughout most of the United States to various food service outlets.

In addition to the food operations of CTI and its subsidiaries, the Company is involved in the production and distribution of snack food items (Eagle Snacks, Inc.) and food ingredients (Busch Industrial Products Corporation). The Company's wholly-owned subsidiary, Eagle Snacks, Inc., produces and distributes (through ABI wholesalers) a line of snack food items under the Eagle Snacks brand name. These snacks are currently being sold in approximately 100 markets in the Eastern United States, on several airlines, and in most major airports across the country.

The Company's wholly-owned subsidiary, Busch Industrial Products Corporation ("BIP"), which is the leading producer and marketer of compressed yeast for the baking industry, produces bakers yeast at plants in Old Bridge, New Jersey, Bakersfield, California, and St. Louis, Missouri. At its yeast extract plant in St. Louis, BIP produces yeast extracts for the food and fermentation industries. During 1983, BIP successfully introduced Budweiser Autolyzed Yeast, a flavor enhancer for the meat industry. A major expansion of the baker's yeast plant in Bakersfield, California was completed in 1983 and resulted in a 60% increase in the capacity of that facility. A 20% expansion and modernization of the St. Louis plant, which is currently underway, is expected to be completed in 1984.

The food business is highly competitive. There is intense price, product, and service competition with respect to all of the Company's food products.

Other Diversified Operations

The Company is active in the family entertainment field through its ownership of the St. Louis National Baseball Club, Inc. (St. Louis Cardinals) and Busch Entertainment Corporation, which operates Busch Gardens theme parks at Tampa, Florida and Williamsburg, Virginia; a water park attraction in Tampa; and, through a wholly owned subsidiary, educational play parks for children near Philadelphia, Pennsylvania and near Dallas, Texas. Through its wholly-owned subsidiary, Busch Properties, Inc., the Company is engaged in the business of real estate development. The Company's wholly-owned subsidiary, Anheuser-Busch Wines, Inc. distributes wine through ABI's beer wholesalers to the on-premise retail market in several western states.

During 1983, the Company's wholly-owned subsidiary, AB Sports, Inc., became the majority partner in a new regional sports pay TV cable network called Sports Time, which is expected to begin broadcasting in April, 1984. Through other wholly-owned subsidiaries, the Company owns Busch Stadium and other properties in downtown St. Louis (Civic Center Corporation) and owns and operates a multi-media and graphic design business (Busch Creative Services Corporation) and a transportation service business (Manufacturers Railway Co. and St. Louis Refrigerator Car Co.).

Sources and Availability of Raw Materials

The products manufactured by the Company require a large volume of various agricultural products, including barley, hops, malt, rice, and corn for beer, molasses for the products of BIP, and flours, sugars, and vegetable oils for the bakery products of CTI's subsidiaries. The Company meets its commodities requirements by purchases from various sources, including purchases from its subsidiaries, through contractual arrangements, and by purchases on the open market. The Company believes that at the present time adequate supplies of the aforementioned agricultural products are available, but cannot predict future availability or prices of such products and materials. The commodity markets have experienced and will continue to experience major price fluctuations. The price and supply of raw materials will be determined by, among other factors, the level of crop production, weather conditions, export demand, and government regulations and legislation affecting agriculture.

Energy Matters

The Company uses natural gas, fuel oil, and coal as its primary fuel materials. Ten of ABI's breweries can operate with either natural gas or fuel oil. The St. Louis brewery has the capability to use fuel oil, natural gas, and coal. The Jacksonville brewery can operate only on fuel oil. Natural gas is the basic fuel used to fire the ovens in CTI's bakeries, and gasoline and diesel fuel are used in the route trucks and tractor-trailer units in distributing CTI's products. Supplies of fuels in quantities sufficient to meet ABI's and CTI's total requirements are expected to be available on a year-round basis during 1984. In an effort to prepare against possible future shortages, CTI and its subsidiaries have added standby propane systems to provide an alternate source of oven fuel and have improved fuel storage facilities in areas where it is believed most likely that shortages could occur in the future. The supply of fuel oils and coal is normally covered by yearly contracts and no difficulty has been experienced in entering into these contracts. The cost of fuel used by the Company was stable in 1983 and is expected to increase only moderately in 1984.

Based upon information presently available to it, the Company cannot predict whether in the future a shortage in the supply of fuel or any allocation of such supply will have a material adverse effect upon its production, sales, or earnings. While supply allocations are unlikely, there can be no assurance that adequate supplies of fuel will always be available to the Company and should such supplies not be available, the Company's sales and earnings would be adversely affected. The Company expects to be able to obtain all of its fuel requirements in 1984.

Research and Development

The Company is involved in a number of research activities relating to the development of new products or services or the improvement of existing products or services. In April 1983 the Company entered into a three-year research and development program with Interferon Sciences, Inc. ("ISI") to produce interferon and related biological products through the use of ISI's genetic engineering technology and the Company's yeast fermentation technology. The dollar amounts expended by the Company during the past three years on research activities and the number of employees engaged full time therein during such period are not considered to be material in relation to the total business of the Company.

Environmental Protection

All of the Company's plants are subject to federal, state and local pollution laws and regulations, and the Company is operating within existing laws and regulations or is taking action aimed at assuring compliance therewith. Compliance with such laws and regulations is not expected to materially affect the Company's competitive position. The Company's capital expenditures for environmental control facilities and incremental operating costs in connection therewith were not material in 1983 and are not expected to be material in 1984.

In the interest of reducing capital and operating costs for pollution control, the Company has devoted considerable effort to engineering and research with the objective of improving process efficiencies, creating saleable

by-products from residuals, and generally reducing the quantities of materials discharged into the environment.

Packaging Laws and Regulations

The states of Oregon, Vermont, Maine, Michigan, Iowa, Connecticut, Massachusetts, Delaware, and New York, and a small number of local jurisdictions, have adopted certain restrictive packaging laws and regulations for beverages that generally require deposits on packages or restrict certain packaging options. ABI continues to do business in these states and local jurisdictions. Such bans and restrictions have not had a significant effect on ABI's sales, but have had a significant adverse impact on beer industry growth and are considered by the Company to be inflationary. Congress, a number of additional states, and a few local jurisdictions continue to consider similar legislation, the adoption of which by Congress or a substantial number of states or local jurisdictions would require the Company to incur significant capital expenditures.

Number of Employees

As of December 31, 1983, the Company had 39,320 employees.

Item 2. *Properties*

ABI has eleven breweries in operation at the present time, located in St. Louis, Missouri; Newark, New Jersey; Los Angeles and Fairfield, California; Jacksonville and Tampa, Florida; Houston, Texas; Columbus, Ohio; Merrimack, New Hampshire; Williamsburg, Virginia; and Baldwinsville, New York. Title to the Baldwinsville, New York brewery is held by the Onondaga County Industrial Development Agency ("OCIDA") pursuant to a Sale and Agency Agreement with ABI, which enabled OCIDA to issue tax exempt pollution control and industrial development revenue notes and bonds to finance a portion of the cost of the purchase and modification of the brewery. The brewery is not pledged or mortgaged to secure any of the notes or bonds, and the Sale and Agency Agreement with OCIDA gives ABI the unconditional right to require at any time that title to the brewery be transferred to ABI.

The Company, through other wholly-owned subsidiaries, operates malt plants in Manitowoc, Wisconsin and Moorhead, Minnesota; a rice mill in Jonesboro, Arkansas; yeast plants in St. Louis, Missouri, Old Bridge, New Jersey, and Bakersfield, California; can manufacturing plants in Jacksonville, Florida, Columbus, Ohio and Arnold, Missouri; and a can lid manufacturing plant in Gainesville, Florida.

The Company's wholly-owned subsidiary, Busch Entertainment Corporation, operates family entertainment facilities in Tampa, Florida and Williamsburg, Virginia. Attendance during 1983 at the 325 acre Tampa facility, which has been in operation since 1959, was approximately 2.9 million persons. Attendance during 1983 at the 360 acre Williamsburg facility, which commenced operation in 1975, was 2.0 million persons.

The Company's wholly-owned subsidiary, CTI, through its domestic subsidiaries, operates 57 bakeries and 14 manufacturing plants in 21 states. CTI's international subsidiaries own and operate five bakeries in Spain and a manufacturing plant in France. CTI's bakeries operate at approximately 63% capacity, which is above average for the baking industry.

Except as described above, all of the Company's properties are owned in fee. The Company considers its buildings, improvements, and equipment to be well maintained and in good condition, irrespective of dates of initial construction, and adequate to meet the operating demands placed upon them. The production capacity of each of the manufacturing facilities is adequate for its current needs and, except as described above, substantially all of each facility's capacity is utilized.

Item 3. *Legal Proceedings*

The Company is not a party to any pending or threatened litigation, the outcome of which will have a material adverse effect upon its financial condition or its operations.

Item 4. *Submission of Matters to a Vote of Security Holders*

There were no matters submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter ended December 31, 1983.

EXECUTIVE OFFICERS OF THE REGISTRANT

AUGUST A. BUSCH III (age 46) is presently Chairman of the Board, President, Chief Executive Officer, and Director of the Company and has served in such capacities since 1977, 1974, 1975, and 1963, respectively. He is also Chairman of the Board and Chief Executive Officer of the Company's subsidiary, Anheuser-Busch, Incorporated, and has served in such capacity since 1979.

DENNIS P. LONG (age 48) is presently Vice President and Group Executive of the Company and has served in such capacity since 1979. During the past five years he also served as Vice President and General Manager-Beer Division (1979). He is also presently President and Chief Operating Officer of the Company's subsidiary, Anheuser-Busch, Incorporated, and has served in such capacity since 1979.

JERRY E. RITTER (age 49) is presently Vice President and Group Executive of the Company and has served in such capacity since January 1984. During the past five years he also served as Treasurer of the Company (1979-1981) and Vice President-Finance (1979-1983).

BARRY H. BERACHA (age 42) is presently Vice President and Group Executive of the Company and has served in such capacity since 1976. He is also presently Chairman of the Board and President of the Company's subsidiary, Metal Container Corporation, Chairman of the Board and President of the Company's subsidiary, Container Recovery Corporation, and President of the Company's subsidiary, Metal Label Corporation, and has served in such capacities since 1976, 1978, and March 1984, respectively.

PATRICK T. STOKES (age 41) is presently Vice President and Group Executive of the Company and has served in such capacity since 1981. During the past five years he also served as Vice President-Materials Acquisition of the Company (1979-1981). He is also presently Chairman of the Board and Chief Executive Officer of the Company's subsidiary, Consolidated Farms, Inc., and Chairman of the Board and Chief Executive Officer of the Company's subsidiary, Busch Agricultural Resources, Inc., and has served in such capacities since 1983.

JOHN H. PURNELL (age 42) is presently Vice President and Group Executive of the Company and has served in such capacity since 1982. During the past five years he also served as Vice President-Corporate Planning and Development of the Company (1979-1981). He is also presently Chairman of the Board and President of the Company's subsidiary, Anheuser-Busch International, Inc., and has served in such capacity since 1980, and since 1982 has served as Chairman of the Board and President of the Company's subsidiary, Eagle Snacks, Inc., and Chairman of the Board and President of the Company's subsidiary, Anheuser-Busch Wines, Inc.

W. RANDOLPH BAKER (age 36) is presently Vice President and Group Executive of the Company and has served in such capacity since 1982. During the past five years, he also served as Vice President-Busch Gardens and Busch Properties of the Company (1979). He is also presently Chairman of the Board and President of the Company's subsidiary, Busch Entertainment Corporation, Chairman of the Board and President of the Company's subsidiary, Busch Properties, Inc., Chairman of the Board and Chief Executive Officer of the Company's subsidiary, Busch Industrial Products Corporation, and Chairman of the Board of the Company's subsidiary, Busch Creative Services Corporation, and has served in such capacities since 1979, 1978, 1982, and 1983, respectively.

STEPHEN K. LAMBRIGHT (age 41) is presently Vice President and Group Executive of the Company and has served in such capacity since January 1984. During the past five years he also served as Executive Assistant to the President (1979), as Vice President-National Affairs (1979-1981), and as Vice President-Industry and Government Affairs of the Company (1981-1983).

C. B. LANE, JR. (age 59) is presently Chairman of the Board, Chief Executive Officer, and President of the Company's subsidiary, Campbell Taggart, Inc., and has served in such capacities since 1982, 1981, and 1970, respectively.

STUART F. MEYER (age 50) is presently Vice President-Corporate Human Resources of the Company and has served in such capacity since January 1984. During the past five years he also served as Vice President-Labor Relations (1979) and Vice President-Employee Relations of the Company (1979-1983).

PART II

The information required by Items 5, 6, 7 and 8 of this Part II are hereby incorporated by reference from pages 29 through 53 of the Company's 1983 Annual Report to Shareholders.

Item 5. *Market for the Registrant's Common Equity and Related Stockholder Matters*

Item 6. *Selected Financial Data*

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Item 8. *Financial Statements and Supplementary Data*

Item 9. *Disagreements on Accounting and Financial Disclosure*

There have been no disagreements with Price Waterhouse, the Company's independent accountants, on accounting principles or practices or financial statement disclosures.

PART III

Item 10. *Directors and Executive Officers of the Registrant*

The information required with respect to Directors is hereby incorporated by reference from pages 4 through 8 of the Company's Proxy Statement for the Annual Meeting of Shareholders on April 25, 1984. The information required by this Item with respect to Executive Officers is presented on page 6 of this Form 10-K.

Item 11. *Executive Compensation*

The information required by this Item is hereby incorporated by reference from pages 11 through 20 of the Company's Proxy Statement for the Annual Meeting of Shareholders on April 25, 1984.

Item 12. *Security Ownership of Certain Beneficial Owners and Management*

The information required by this Item is hereby incorporated by reference from pages 3 through 8 of the Company's Proxy Statement for the Annual Meeting of Shareholders on April 25, 1984.

Item 13. *Certain Relationships and Related Transactions*

The information required by this Item is hereby incorporated by reference from pages 20 and 21 of the Company's Proxy Statement for the Annual Meeting of Shareholders on April 25, 1984.

PART IV

Item 14. *Exhibits, Financial Statement Schedules, and Reports on Form 8-K*

	Page in Annual Report*
(a) The following documents are filed as part of this report:	
1. Financial Statements:	
Consolidated Balance Sheet at December 31, 1983 and 1982	36-37
Consolidated Statement of Income for the three years ended December 31, 1983	38
Consolidated Statement of Shareholders Equity and Convertible Redeemable Preferred Stock for the three years ended December 31, 1983	39
Consolidated Statement of Changes in Financial Position for the three years ended December 31, 1983	40
Notes to Consolidated Financial Statements	41-46
Report of Independent Accountants	47

2. Financial Statement Schedules For the Years 1983, 1982, and 1981:

   Report of independent accountants on financial statement schedules

   Consent of independent accountants

   Property, plant and equipment (Schedule V)

   Accumulated depreciation of property, plant and equipment (Schedule VI)

   Guarantees of securities of other issuers (Schedule VII) (1983 only)

   Valuation and qualifying accounts and reserves (Schedule VIII)

   Short-term borrowings (Schedule IX)

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*Incorporated by reference from the indicated pages of the 1983 Annual Report to Shareholders.

3. Exhibits:

   Exhibit 3.1 — Certificate of Incorporation of the Company

   Exhibit 3.2 — By-Laws of the Company

   Exhibit 4 — No instruments defining the rights of holders of long-term debt are filed since the total amount of securities authorized under any such instrument does not exceed 10% of the total assets of the Company on a consolidated basis. The Company agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

   Exhibit 10.1 — Anheuser-Busch Companies, Inc. Deferred Compensation Plan for Non-Employee Directors. (Incorporated by reference to Exhibit 10.2 to Registration Statement on Form S-14 filed September 14, 1982)

Exhibit 10.2 — Anheuser-Busch Companies, Inc. Retirement Program for Non-Employee Directors. (Incorporated by reference to Exhibit 10.1 to Registration Statement on Form S-14 filed September 14, 1982)

Exhibit 10.3 — Anheuser-Busch Companies, Inc. 1981 Incentive Stock Option Plan. (Incorporated by reference to Exhibit A to the Company's Proxy Statement dated March 17, 1982)

Exhibit 10.4 — Anheuser-Busch Companies, Inc. 1981 Non-Qualified Stock Option Plan. (Incorporated by reference to Exhibit B to the Company's Proxy Statement dated March 17, 1982)

Exhibit 10.5 — Employment Agreement between Campbell Taggart, Inc. and its President. (Incorporated by reference to Exhibit 10.5, Campbell Taggart, Inc. Form 10-K for the fiscal year ended December 29, 1981)

Exhibit 10.6 — Campbell Taggart, Inc. Stock Equivalency Incentive Plan. (Incorporated by reference to Exhibit 6(g) to Form S-14 Registration Statement No. 2-59618 filed by Campbell Taggart, Inc.)

Exhibit 10.7 — Campbell Taggart, Inc. Equity Book Value Equivalency Plan. (Incorporated by reference to Exhibit 10.2, Campbell Taggart, Inc. Form 10-K for the fiscal year ended December 29, 1981)

Exhibit 10.8 — Campbell Taggart, Inc. Equity Market Value Equivalency Plan. (Incorporated by reference to Exhibit 10.3, Campbell Taggart, Inc. Form 10-K for the fiscal year ended December 29, 1981)

Exhibit 10.9 — Campbell Taggart, Inc. Incentive Compensation Award Plan. (Incorporated by reference to Exhibit 10.4, Campbell Taggart, Inc. Form 10-K for the fiscal year ended December 29, 1981)

Exhibit 10.10 — Campbell Taggart, Inc. Unfunded Excess Benefit Plan. (Incorporated by reference to Exhibit 6(h) to Form S-14 Registration Statement No. 2-59618 filed by Campbell Taggart, Inc.)

Exhibit 10.11 — Campbell Taggart, Inc. Executive Employees' Additional Retirement Income Program (Incorporated by reference to Exhibit 10.7, Campbell Taggart, Inc. Form 10-K for the fiscal year ended December 29, 1981)

Exhibit 10.12 — Consulting agreement between Anheuser-Busch Companies, Inc. and Fred L. Kuhlmann.

Exhibit 10.13 — Anheuser-Busch Companies, Inc. Excess Benefit Plan.

Exhibit 10.14 — Anheuser-Busch Companies, Inc. Supplemental Retirement Plan.

Exhibit 13 — Anheuser-Busch Companies, Inc. 1983 Annual Report to Shareholders

Exhibit 22 — Subsidiaries of the Company

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the fourth quarter of 1983.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANHEUSER-BUSCH COMPANIES, INC.
(Registrant)

By AUGUST A. BUSCH III
August A. Busch III
Chairman of the
Board and President

Date: March 28, 1984

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

AUGUST A. BUSCH III (August A. Busch III)	Chairman of the Board and President and Director (Principal Executive Officer)	March 28, 1984
JERRY E. RITTER (Jerry E. Ritter)	Vice President and Group Executive (Principal Financial Officer)	March 28, 1984
OSMOND CONRAD (Osmond Conrad)	Vice President and Controller (Principal Accounting Officer)	March 28, 1984
RICHARD T. BAKER (Richard T. Baker)	Director	March 28, 1984
AUGUST A. BUSCH, JR. (August A. Busch, Jr.)	Director	March 28, 1984
MARGARET S. BUSCH (Margaret S. Busch)	Director	March 28, 1984
PETER M. FLANIGAN (Peter M. Flanigan)	Director	March 28, 1984

RODERICK M. HILLS (Roderick M. Hills)	Director	March 28, 1984
EDWIN S. JONES (Edwin S. Jones)	Director	March 28, 1984
FRED L. KUHLMANN (Fred L. Kuhlmann)	Director	March 28, 1984
VILMA S. MARTINEZ (Vilma S. Martinez)	Director	March 28, 1984
SYBIL C. MOBLEY (Sybil C. Mobley)	Director	March 28, 1984
JAMES B. ORTHWEIN (James B. Orthwein)	Director	March 28, 1984
W. R. PERSONS (W. R. Persons)	Director	March 28, 1984
WALTER C. REISINGER (Walter C. Reisinger)	Director	March 28, 1984
(Armand C. Stalnaker)	Director	March 28, 1984
FRED W. WENZEL (Fred W. Wenzel)	Director	March 28, 1984

ANHEUSER-BUSCH COMPANIES, INC.

INDEX TO FINANCIAL STATEMENT SCHEDULES

	Page
Report of independent accountants on Financial Statement Schedules	13
Consent of independent accountants	14
Financial schedules for the years 1983, 1982 and 1981:	
Property, plant and equipment (Schedule V)	15
Accumulated depreciation of property, plant and equipment (Schedule VI)	16
Guarantees of securities of other issuers (Schedule VII) (1983 only)	17
Valuation and qualifying accounts and reserves (Schedule VIII)	18
Short-term borrowings (Schedule IX)	19

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Separate financial statements of subsidiaries not consolidated have been omitted because, in the aggregate, the proportionate share of their profit before income taxes and total assets are less than 20% of the respective consolidated amounts, and investments in such companies are less than 20% of consolidated total assets.

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors
of Anheuser-Busch Companies, Inc.

Our examinations of the consolidated financial statements referred to in our report dated February 6, 1984 appearing on page 47 of the 1983 Annual Report to Shareholders of Anheuser-Busch Companies, Inc., (which report and financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an examination of the Financial Statement Schedules listed in Item 14(a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE

St. Louis, Missouri
February 6, 1984

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 2-79611) of Anheuser-Busch Companies, Inc. of our report dated February 6, 1984 appearing on page 47 of the Annual Report to Shareholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 13 of this Form 10-K.

PRICE WATERHOUSE

St. Louis, Missouri
March 28, 1984

ANHEUSER-BUSCH COMPANIES, INC.

SCHEDULE V—PROPERTY, PLANT AND EQUIPMENT

(In millions)

Classification	Balance at beginning of period	Additions at cost	Retire-ment or sales	Other changes	Balance at end of period
1981					
Land	$ 25.6	$ 2.0	$ —	$ —	$ 27.6
Buildings	670.3	207.8	.7	(3.5)	873.9
Machinery and equipment	1,472.1	341.5	15.7	3.5	1,801.4
Construction in progress	518.2	(130.1)	—	—	388.1
Other real estate	10.2	.1	—	—	10.3
	$2,696.4	$421.3	$16.4	$ —	$3,101.3
1982					
Land	$ 27.6	$ 43.5	$ .3	$ —	$ 70.8
Buildings	873.9	401.6	18.6	—	1,256.9
Machinery and equipment	1,801.4	727.9	45.5	—	2,483.8
Construction in progress	388.1	(229.5)	—	—	158.6
Other real estate	10.3	—	—	—	10.3
	$3,101.3	$943.5	$64.4	$ —	$3,980.4
1983					
Land	$ 70.8	$ .8	$ 1.3	$ (.2)	$ 70.1
Buildings	1,256.9	62.5	5.3	(10.5)	1,303.6
Machinery and equipment	2,483.8	224.1	73.5	(11.6)	2,622.8
Construction in progress	158.6	140.6	4.1	16.5	311.6
Other real estate	10.3	—	4.5	—	5.8
	$3,980.4	$428.0	$88.7	$ (5.8)(1)	$4,313.9

The company provides for depreciation of plant and equipment on methods and at rates designed to amortize the cost of such equipment over its useful life (buildings 2% to 10% and machinery and equipment 4% to 25%). Depreciation is computed principally on the sum-of-the-years-digits method for property acquired between January 1, 1954, and December 31, 1974, and the straight line method is used for property acquired prior to and after this period.

(1) The net other changes represents the effect of translating foreign subsidiaries into U.S. dollars.

ANHEUSER-BUSCH COMPANIES, INC.

SCHEDULE VI—ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

(In millions)

Description	Balance at beginning of period	Additions charged to costs and expenses	Retire-ments	Other changes	Balance at end of period
1981					
Buildings	$201.1	$ 20.8	$ .4	$ —	$ 221.5
Machinery and equipment	546.7	87.7	13.6	—	620.8
Other real estate	1.2	.2	—	—	1.4
	$749.0	$108.7	$14.0	$ —	$ 843.7
1982					
Buildings	$221.5	$ 27.0	$ 6.9	$ —	$ 241.6
Machinery and equipment	620.8	106.0	30.7	52.2(1)	748.3
Other real estate	1.4	.2	—	—	1.6
	$843.7	$133.2	$37.6	$52.2	$ 991.5
1983					
Buildings	$241.6	$ 34.6	$23.0	$ —	$ 253.2
Machinery and equipment	748.3	150.4	40.7	(2.5)	855.5
Other real estate	1.6	.3	.9	—	1.0
	$991.5	$185.3	$64.6	$(2.5)(2)	$1,109.7

(1) At the date of acquisition of Campbell Taggart, Inc. the fair market value of Campbell Taggart, Inc.'s vehicles approximated their net book value. Accordingly, vehicles were recorded at Campbell Taggart, Inc.'s historical cost, the amount of which is included in "Additions at cost" on Schedule V. A corresponding reserve was recorded in "Other changes" as indicated above.

(2) The net other changes represents the effect of translating foreign subsidiaries into U.S. dollars.

ANHEUSER-BUSCH COMPANIES, INC.

SCHEDULE VII — GUARANTEES OF SECURITIES OF OTHER ISSUERS
(1983)

Name of issuer of securities guaranteed by person for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (In millions)	Amount owned by person or persons for which statement is filed	Amount in treasury of issuer of securities guaranteed	Nature of guarantee	Nature of any default by issuer of securities guaranteed in principal, interest, sinking fund or redemption provisions, or payment of dividends
International Label	Note/Line of Credit	$18.5	50%	—	Guarantee of principal and interest	None
S.P. Parks, Inc. (formerly Sesame Place, Inc.)	Notes	10.0	100%	—	Guarantee of principal and interest	None
Civic Center Corp.	Purchase Obligation	1.5	100%	—	Guarantee of payment for equipment	None
Anheuser-Busch, Inc.	Notes	.8	100%	—	Guarantee of principal and interest	None
City of Fort Collins, Colorado	Bond Anticipation Notes/ Line of Credit	.1	100%	—	Guarantee of principal and interest	None
Double Eagle Distributors, Inc.	Industrial Revenue Bonds	1.9	100%	—	Guarantee of principal and interest	None
Civic Center Corp./ Land Clearance for Redevelopment Authority	Industrial Revenue Bonds	12.1	100%	—	Guarantee of principal and interest	None

ANHEUSER-BUSCH COMPANIES, INC.

SCHEDULE VIII—VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

(In millions)

	1983	1982	1981
Reserve for doubtful accounts (deducted from related assets):			
Balance at beginning of period	$2.7	$1.0	$1.0
Reserve balance of acquired company	—	1.9	—
Additions charged to costs and expenses	2.8	.4	.4
Additions (recoveries of uncollectible accounts previously written off)	.4	.5	.5
Deductions (uncollectible accounts written off)	(3.0)	(1.1)	(.9)
Balance at end of period	$2.9	$2.7	$1.0

ANHEUSER-BUSCH COMPANIES, INC.

SCHEDULE IX—SHORT-TERM BORROWINGS

(In millions)

Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period	Average amount outstanding during the period(1)	Weighted average interest rate during the period(2)
1981					
Credit agreement	$29.5	9.7%	$ 29.5	$26.1	9.6%
Bankers acceptances	—	—	9.0	2.3	16.8%
Commercial paper	—	—	173.6	77.4	17.2%
1982					
Credit agreement	25.0	11.5%	50.0	18.0	9.0%
Commercial paper	—	—	65.0	15.4	13.2%
1983					
Commercial paper	—	—	139.0	40.2	9.5%

(1) Calculated by multiplying the amount borrowed by the number of days outstanding and dividing the sum of the above by the number of days in the year.

(2) Calculated by dividing the total interest expense on the borrowings during the year by the average borrowings outstanding during the year.

1983 FINANCIAL HIGHLIGHTS

(In millions, except per share, employee and shareholder data)

YEAR ENDED DECEMBER 31	1983	1982	% Change
Barrels of beer sold	60.5	59.1	2.4
Sales	$6,658.5	$5,185.7	28.4
Beer excise taxes	624.3	609.1	2.5
Net sales	6,034.2	4,576.6	31.8
Net income	348.0	274.0*	27.0
Net income per share:			
Primary	6.50	5.67*	14.6
Fully diluted	6.50	5.60*	16.1
Cash dividends:			
Common stock	78.3	65.8	19.0
Per share	1.62	1.38	17.4
Preferred stock	29.7	—	—
Per share	3.60	—	—
All taxes	1,024.9	878.6	16.6
Capital expenditures	428.0	355.8	20.3
Depreciation and amortization	187.3	133.6	40.1
FINANCIAL CONDITION AT DECEMBER 31			
Working capital	$ 175.1	$ 45.8	282.6
Plant and equipment, net	3,204.2	2,988.9	7.2
Long-term debt	961.4	969.0	(.8)
Convertible redeemable preferred stock	286.0	285.0	.3
Common stock and other shareholders equity	1,766.5	1,526.6	15.7
Per common share	36.50	31.61	15.5
Number of employees	39,320	38,133	3.1
Number of common shareholders	30,317	30,317	—

The acquisition of Campbell Taggart was completed on November 2, 1982. Accordingly, sales and earnings for the year 1982 include Campbell Taggart operations for November and December 1982.

*Net income and net income per share exclude a nonrecurring gain on the sale of the corn refining plant in Lafayette, Indiana. This nonrecurring gain increased net income $13.3 million to $287.3 million, primary earnings per share $.30 to $5.97 and fully diluted earnings per share $.28 to $5.88 as reported in the Consolidated Statement of Income on page 38 of this report.

Letter to Shareholders

Anheuser-Busch Companies, Inc. experienced continued growth in 1983 and it is a pleasure to report that the company had a successful year. The continued success of your company can be attributed to the dedication and hard work of our employees and independent wholesalers, and to our continuing commitment to quality in all the products we offer the consumer.

These factors were central to the selection of Anheuser-Busch Companies as one of "America's Most Admired Corporations" in a recent survey conducted by the prestigious business publication, FORTUNE magazine. In the poll of more than 7,000 business executives, outside directors and financial analysts, Anheuser-Busch Companies, Inc. ranked eighth among all American corporations, and number one in the beverage industry.

We were particularly pleased to be selected in the FORTUNE survey as the number three ranked company among all American corporations for quality of products and services. This reflects the recognition of your company's unfailing commitment to quality in all our products. The FORTUNE article states that, "Repeatedly, corporations with first-class reputations are seen to put quality, integrity, and respect for the customer alongside profits on the bottom line." For Anheuser-Busch Companies, that is our creed.

Operations

Anheuser-Busch, Inc., the company's brewing subsidiary, reached a new industry milestone in 1983 by brewing, packaging and selling 60.5 million barrels of beer. This performance widened our sales lead over our nearest competitor to 23 million barrels, for the largest margin of leadership in the history of Anheuser-Busch.

Anheuser-Busch, Inc.'s record sales volume of 60.5 million barrels was an increase of 2.4% over 1982, as brewing industry sales increased by nine tenths of one percent. The company's market share increased from 32.0% in 1982 to 32.5%.

In 1983, the competitive environment in the brewing industry underwent significant change. Several large competitors merged or arranged other business combinations, and major regional brewers introduced their brands into new geographic regions. We anticipate that geographic expansion will continue in 1984. Competition will be intense—but Anheuser-Busch, Inc. is well prepared to meet this challenge with a full line of quality beers and the most talented management team and wholesaler family in the industry.

On January 20, 1984, we announced that Anheuser-Busch had developed a new light alcohol beer which will be introduced into selected test markets beginning April 1, 1984. The new product—L A from Anheuser-Busch—has an alcohol content approximately half that of regular beer and will be governed by all laws regulating the sale of alcoholic beverages. L A from Anheuser-Busch will be priced at premium levels and will provide real beer taste, continuing our long-standing approach of offering consumers the widest possible choice.

Our confidence in the future is demonstrated by our commitment to new capacity increases which will support future sales growth. The 6-million barrel brewery in Baldwinsville, New York, became fully operational in early 1983, and a mini-expansion will increase its capacity to more than 7 million barrels when completed in 1984. A 5-million barrel expansion at our Houston facility will increase its annual capacity to more than 8.5 million barrels. This expansion is proceeding on schedule and will be operational in 1986. In 1983 the company, as part of our plan to prepare for additional capacity increases, optioned property for the construction of a new brewery in Fort Collins, Colorado.

During the year the company continued to expand its vertical integration operations to provide greater control over quality, quantity and cost of materials for the brewing operation. Metal Container moved toward full production in the manufacture of ecology lids and developed long-range plans to modernize its can-making facilities. Busch Agricultural Resources completed a 25% expansion of its malt plant in Manitowoc, Wisconsin, and now supplies 32% of Anheuser-Busch, Inc.'s malt requirements. Expansion and modernization programs such as these will continue to contribute to our ongoing cost control and containment programs.

Anheuser-Busch International, our international licensing and marketing subsidiary, expanded the brewing and sales of our beer products into foreign markets during 1983. In Canada, locally brewed Budweiser has become one of the country's top 10 beer brands and, commencing in 1984, Budweiser will be brewed and sold under licensing agreements in Japan, Israel and the United Kingdom.

Campbell Taggart, Inc., the company's baking and diversified food subsidiary, completed its first full year as one of the Anheuser-Busch Companies. It was an eventful year—alternative business strategies were studied, marketing and advertising plans were revised and a major capital expenditures program was approved. Management of both companies was integrated into a unified team combining a wide range of experience in the consumer products field. Many new programs will be fully implemented by early 1984, and we are confident that Campbell Taggart is poised for growth in 1984 and beyond.

Eagle Snacks, Inc., the company's snack food subsidiary, showed continued sales growth in 1983 and added new snack production lines. We continue to believe the snack industry presents an attractive diversification opportunity for a super-premium snack line.

INDUSTRY AFFAIRS

Anheuser-Busch Companies shares with all thoughtful citizens a concern for our social environment. Because Anheuser-Busch, Inc., our brewing subsidiary, is the largest producer of beer in the world, we are keenly aware of the problems that can result from the misuse of our products. As the industry leader, it is appropriate for Anheuser-Busch to take a leading role in helping to solve these serious problems through a positive approach that emphasizes both the rights and responsibilities of the individual, the brewing industry and society as a whole.

We disagree with those who cite the abuses of the few as a rationale for limiting the rights of the many, ignoring our traditions as a free society in the efforts to combat irresponsible consumption of our products. Ultimately, such punitive approaches are aimed at eliminating all consumption, rather than addressing the problems of the small minority who are the abusive drinkers.

Beer is a beverage that is enjoyed responsibly and moderately by tens of millions of Americans each day. At Anheuser-Busch, we are taking positive steps, and have been for some time, to encourage the responsible consumption of the products we brew and sell. These include:

August A. Busch III
Chairman of the Board and President

- "Know When To Say When," a public awareness program to educate consumers of their responsibility to drink in moderation. This grass roots program is carried out in communities throughout the nation by our family of independent wholesalers.
- An aggressive retailer education program, providing instruction to thousands of retailers and their employees each year, on how to encourage responsible drinking.
- Financial support for such grass roots organizations as "Students Against Driving Drunk" (SADD) and "Mothers Against Drunk Drivers" (MADD).
- Creation of a model Employee Assistance Program (EAP) that has provided confidential assistance to our employees troubled by marital, financial, drug, or alcohol abuse problems. This program was provided as a model to our independent wholesalers, and to hundreds of businesses nationwide through the United States Brewers Association and the U.S. Chamber of Commerce.

Letter to Shareholders

- Financial support of basic scientific research into the causes and possible cures of alcohol abuse.
- The formulation of guidelines for our advertising and marketing activities, ensuring that they do not encourage the immoderate or underage consumption of our products.

Through our own actions, and through encouraging the development of effective public programs, we are committed to addressing the problems of the misuse of alcohol.

Director and Management Changes

In March of 1983, Vilma S. Martinez was elected to the Board of Directors to replace Mr. Paul Thayer who resigned in January 1983 to accept an appointment as Deputy Secretary of Defense. Ms. Martinez is a partner in the law firm of Munger, Tolles & Rickershauser in Los Angeles, and was formerly President and General Counsel of the Mexican-American Legal Defense and Education Fund (MALDEF). We are fortunate to have been able to attract such a highly qualified individual to our Board of Directors.

On December 31, 1983, Fred L. Kuhlmann, one of the members of our top management team, retired from the company. Mr. Kuhlmann was Executive Vice President and a member of the Corporate Office. He is one of the country's foremost business executives, possessing a wide range of management capabilities and leadership qualities. He made a significant contribution to the success of Anheuser-Busch Companies during his more than 16 years of dedicated service. Mr. Kuhlmann will continue to contribute his expertise to the company as Vice Chairman of the Board of Directors and as an independent consultant to the company.

As part of the realignment of top management responsibilities, Jerry E. Ritter, formerly Vice President, Finance, has assumed increased responsibilities and was named Vice President and Group Executive, Anheuser-Busch Companies. He also is now a member of the Corporate Office, which consists of Dennis P. Long, Vice President and Group Executive, Anheuser-Busch Companies, and President, Anheuser-Busch, Inc., and me.

Others assuming additional responsibilities at the first of the year were W. Randolph Baker, Vice President and Group Executive; Stephen K. Lambright, formerly Vice President, Industry and Government Affairs, who was named Vice President and Group Executive; and Stuart F. Meyer, formerly Vice President, Employee Relations, who became Vice President, Corporate Human Resources, and a member of the Policy Committee.

Financial

Anheuser-Busch Companies, Inc. again achieved substantial growth in sales and earnings in 1983. Net income was $348.0 million, an increase of $74.0 million over net income of $274.0 million in 1982, excluding a nonrecurring gain on the sale of the corn refining plant in Lafayette, Indiana. The nonrecurring, after-tax gain in 1982 increased net income by $13.3 million to $287.3 million. Fully diluted earnings per share were $6.50, an increase of 16.1% compared with $5.60 in 1982, before the nonrecurring gain of $.28 per share. Gross sales in 1983 were a record $6.66 billion, 28.4% higher than the $5.19 billion gross sales in 1982.

Capital expenditures in 1983 were $428.0 million, an increase of $72.2 million over the $355.8 million expended in 1982. A majority of these expenditures were for productivity improvements and increases in production capacity.

In the third quarter of 1983, the company increased the regular quarterly dividend on common stock to $.44 from $.37—a reflection of the continued growth and performance of the various operations of Anheuser-Busch Companies. For the full year, the dividend per share was $1.62, an increase of 17.4% over the $1.38 per share paid in 1982.

The management of Anheuser-Busch Companies is committed to the long-term growth of your company. We pledge our continued attention to every aspect of the company's business with the objective of continuing to achieve consistent growth while maintaining our dedication to quality in all aspects of our business.

We appreciate the continuing support of Anheuser-Busch shareholders and want to take this opportunity to thank all Anheuser-Busch employees and wholesalers for their dedicated efforts in making 1983 another successful year.

August A. Busch III
Chairman of the Board and President
February 6, 1984

Anheuser-Busch Companies' philosophy is to maintain a growth posture through continued beer expansion and through future development of other diversified activities.

ANHEUSER-BUSCH COMPANIES, INC.

Anheuser-Busch Companies is dedicated to excellence and quality in everything it does; determined to be a leader, and wherever possible, to be number one in everything it undertakes. The company's long-term strategies show this commitment to continued, managed growth.

By the end of 1983, Anheuser-Busch Companies and Interferon Sciences, Inc. had developed the highest concentration of recombinant (genetically manufactured) interferon in the industry.

Anheuser-Busch Companies, Inc. is a diversified corporation whose subsidiaries include the world's largest brewing organization and the country's second largest producer of fresh baked goods. Other subsidiaries operate in the fields of container manufacturing, malt and rice production, container recycling, international beer marketing, snack foods, baker's yeast, family entertainment, real estate development, major league baseball, stadium ownership, creative services, rail car repair and transportation services.

In 1983, Anheuser-Busch Companies achieved record sales and earnings in each quarter, as the company had the best year in its history. Gross sales reached $6.66 billion in 1983, an increase of 28.4% over 1982 gross sales of $5.19 billion. Earnings for 1983 were $348.0 million, or $6.50 per share (fully diluted), an increase of 16.1% compared with earnings of $274.0 million, or $5.60 per share (fully diluted) in 1982, excluding a nonrecurring gain on the sale of the corn refining plant in Lafayette, Ind.

The 1983 sales and earnings of Anheuser-Busch Companies, the parent company, include the results of Campbell Taggart, Inc., which was acquired on November 2, 1982. In accordance with generally accepted accounting principles, 1982 figures have not been restated to include the results of Campbell Taggart.

During the third quarter of 1983, the company increased the quarterly cash dividend on its common stock 18.9% to $.44 from $.37 per share.

DIVERSIFICATION

The company's primary objective is well-planned and managed growth. In addition to continued volume and profit increases in the beer and beer-related businesses, Anheuser-Busch Companies is pursuing its strategy of growth through diversification. Vertical integration activities and the development of new business areas internally have constituted the major diversification thrust in the past. However, a significant diversification move was the 1982 acquisition of Campbell Taggart, Inc., the country's second largest producer of fresh baked goods.

Vertical integration activities continued to provide sources of growth for the company, as well as greater control over the quality, quantity and cost of materials. During 1983, internally developed businesses, such as Eagle Snacks, Inc. and Anheuser-Busch International, Inc., continued to progress.

Additionally, in April 1983, the company entered into a $6 million, three-year research and development program with Interferon Sciences, Inc. (ISI) to produce interferon and related biological products through the use of ISI's genetic engineering technology and Anheuser-Busch Companies' yeast fermentation technology. If this program is successful, Anheuser-Busch Companies will be entitled to receive royalties on any commercial production that may result from these efforts. In addition, the company owns an option to purchase three million new shares of ISI common stock during the next seven years.

During the year, a wholly owned subsidiary of Anheuser-Busch Companies became a majority owner of Sports Time, a new regional sports cable television network.

CAPITAL INVESTMENT

The company plans to invest more than $2.0 billion in capital projects during the next five years primarily for increased beer production capacity and modernization of beer and baking plants. In 1983, capital expenditures were $428.0 million, compared to $355.8 million in 1982.

CORPORATE CITIZENSHIP

Anheuser-Busch Companies is committed to working in partnership with individuals, organizations and communities to build a better future. This commitment is wide in scope. In 1983, Anheuser-Busch Companies and its charitable foundations contributed more than $8 million to many non-profit organizations active in the fields of education, health care and medical research, community service, cultural enrichment, leadership development and vocational training. Particularly noteworthy is our strong support for United Way agencies operating in communities where the company has major facilities.

The company continued its partnership with minority communities by expanding its activities in a number of areas and through ongoing programs, encompassing all areas of operations and business practices.

The company also continued to support community-based, non-profit organizations and educational programs such as The Anheuser-Busch/Urban League Community College Scholarship Program for adults; the Inroads training program which provides minority college students with private industry experience; leadership training programs through the Mexican American Legal Defense and Education Fund (MALDEF) and the Latino Institute in Chicago; and the United Negro College Fund (UNCF) through which the Budweiser-sponsored Lou Rawls Parade of Stars television special and telethons have raised millions of dollars in contributions and pledges during the last four years in support of 42 UNCF member institutions.

In the health area, the company continued to support a range of health care institutions primarily in communities in which the company operates facilities. Also, as a national sponsor of the Muscular Dystrophy Association, Anheuser-Busch, Inc. and its wholesalers raised millions of dollars for the 1983 annual Jerry Lewis Labor Day Telethon through special sales promotion programs and events.

Top: Anheuser-Busch Companies supports many community-based programs such as the Mathews-Dickey Boy's Club in St. Louis. Above and left: The company continues to take advantage of growth opportunities in the beer business and other businesses. The Houston brewery expansion is one major project now under way.

ANHEUSER-BUSCH COMPANIES, INC.

A number of company facilities have various Quality of Work Life activities. Management believes that these efforts, in the long term, will have a significant positive effect on employee morale, job satisfaction, and on company operations.

INDUSTRY AND GOVERNMENT AFFAIRS

In recent years, Anheuser-Busch Companies has taken a more active role in public and legislative arenas on issues that can have a major impact on the company. Government restrictions on pricing, distribution and marketing, container deposit laws, and excise taxes can all increase costs to consumers and disrupt efficient operation of our brewing company.

The company is actively identifying and responding to these issues with a number of programs through an expanded Industry and Government Affairs division. In addition to directing the activities of company representatives with legislators and regulators at the national level and in the 50 states, Industry and Government Affairs continues to develop positive, free enterprise alternatives to government mandated programs. Programs to encourage responsibility in drinking and support for litter reduction and voluntary recycling efforts are examples of such positive alternatives.

Individuals within the Anheuser-Busch family—employees, wholesalers, shareholders, retirees and suppliers—are being informed about those public policy issues that face the company through newsletters, special issue brochures and audiovisual presentations.

The company also encourages political involvement by members of the Anheuser-Busch family. It encourages them to communicate with members of their local communities on the company's positive programs, to promote policy positions which are important to the company and the consumers it serves and to discuss these issues with their legislators as opportunities arise. Individuals are also asked to participate financially by voluntarily contributing to the Anheuser-Busch Companies Political Action Committee (AB-PAC).

Through its expanded capabilities at the federal and state levels, and with the active support of the A-B family, Anheuser-Busch Companies is in a strong position to propose and support positive solutions, and to oppose those recommendations that would place an unfair burden on the industry or on the consumers of its products.

EMPLOYEE RELATIONS

The Anheuser-Busch Employee Relations Policy recognizes that the quality of employee relations is equal in importance to other managerial criteria, such as product quality, cost control and efficiency. The company strives to provide a work environment characterized by open communications, mutual trust and recognition of a job well done. Communications meetings are held regularly at major company locations to provide an opportunity for face-to-face communications between management and employees. A Personnel Communications Program, the goal of which is to ensure that employees are being treated fairly and given an opportunity to seek help with questions and concerns, continued to be expanded throughout the company. Also, emphasis on Quality of Work Life projects continued, with an upper management level steering committee directing strategy.

During 1983, employees' attention to safe work practices and Anheuser-Busch Companies' commitment to innovation in the area of injury prevention, led to a 22% reduction in serious injuries. This is the fourth consecutive year in which the company has significantly reduced serious injuries.

Anheuser-Busch, Inc. is a brewer before anything else, and that will never change. It is committed to maintaining the naturally brewed quality of its beers, based on the confidence of long experience that consumers' demand for quality will assure continued growth.

BREWING OPERATIONS

Top: Numerous flavor panels meet daily at company headquarters and at each brewery to judge the aroma, color and taste of the products, ensuring the quality of every bottle, can and keg of Anheuser-Busch, Inc. beers. Above: The breweries' Packaging and Shipping areas operated at an average efficiency level above 90%.

ANHEUSER-BUSCH, INC.

ONE OF THE ANHEUSER-BUSCH COMPANIES

Anheuser-Busch, Inc. is the company's brewing subsidiary and the world's largest brewer, a position it has held for 27 years. Its corporate strategy for the 1980s includes market share leadership and growth through high quality products and effective marketing, and profitability improvement through judicious pricing and aggressive cost reduction programs.

During 1983, Anheuser-Busch, Inc. established another all-time industry record with sales of 60.5 million barrels, an increase of 2.4% over 1982 beer volume sales of 59.1 million barrels.

Gross sales of the company's brewing operations rose to $5.09 billion, a 7.9% increase over 1982 gross sales of $4.71 billion. Gross sales include federal and state beer excise taxes of $624.3 million in 1983 and $609.1 million in 1982. Net sales revenue per barrel reached $73.69 during 1983, compared with $69.43 during 1982.

Anheuser-Busch, Inc. increased its market share in 1983 with sales volume representing approximately 32.5% of total brewing industry sales (including imports) as estimated by the United States Brewers Association, compared with 32.0% the previous year. Total U.S. brewing industry sales growth for 1983 is estimated at nine tenths of one percent.

In addition, Anheuser-Busch, Inc. extended its lead over its nearest competitor to a record 23 million barrels.

The record performance of Anheuser-Busch, Inc. was a result of excellent planning and execution of plans and programs by the entire brewery team—Quality Assurance, Brewing, Operations, Administration, Marketing, Wholesale Operations and Beer Planning.

QUALITY ASSURANCE

Anheuser-Busch, Inc.'s number one objective continues to be quality. It is committed to maintaining the naturally brewed quality and superior taste of its beers—strengths that are keys to past and future growth. The traditional brewing process is strictly maintained by using modern technology in a rigorous program of quality assurance. This involves the entire process of producing and distributing beer—from testing the ingredients, tasting the in-process beers and scrutinizing packaging materials, to flavor testing the product once it is in the marketplace.

BREWING, OPERATIONS, ADMINISTRATION

Productivity improvement

Anheuser-Busch, Inc.'s 11 breweries throughout the U.S. continued to make significant improvements in productivity and cost reduction, while producing a record volume of beer—all accomplished while maintaining the highest quality standards.

Brewing again improved efficiencies by increasing brewing raw material utilization.

Operations continued to show excellent trends in reducing costs through increased operating efficiencies. The Packaging and Shipping area operated at an average efficiency level above 90%, reaching 91% by year-

end. That compares to a 76% line efficiency as recently as 1979. During 1983, 175 new production records were established and the Baldwinsville brewery became fully operational with higher than budgeted efficiency levels.

These efficiency improvements translate to an improved usage of raw materials, packaging materials and energy to produce an equivalent amount of beer—in addition to resulting in capital savings. For example, without these improvements, 12 new high speed packaging lines would have been required to meet increased production requirements—at a cost of more than $200 million.

Also during 1983, new programs were instituted which increased safety awareness for brewery employees, resulting in a 21% performance improvement.

As part of the ongoing Productivity Improvement program, the Employee Suggestion Program was continued. Significant savings were realized from employees' ideas on reducing process loss, energy and water usage, material consumption and sewer loadings.

During the past four years, the productivity improvement efforts described above have resulted in total expense reductions of $200 million. This strong performance is the direct result of teamwork involving all plant production, maintenance, quality assurance, staff, and management personnel; Brewing management; Operations management; Productivity Improvement Department personnel; and Corporate Engineering.

Expansion and modernization

Anheuser-Busch, Inc.'s plans for future growth include both capacity expansion and brewery modernization programs. The Baldwinsville, N.Y., brewery, purchased from the Jos. Schlitz Brewing Company in 1980, became fully operational in 1983. A mini-expansion at Baldwinsville will increase its capacity to 7.2 million barrels when completed in 1984. Work continues on a major expansion of the Houston, Tex., brewery that will increase production by approximately 5 million barrels annually to 8.5 million barrels. After completion of the Houston expansion, Anheuser-Busch, Inc.'s annual capacity will be approximately 75 million barrels.

In addition, Anheuser-Busch, Inc. has optioned a 1,130-acre tract of land north of Ft. Collins, Colo., for possible construction of a brewery. A final decision will be made after all necessary permits and authorizations are received and after reviewing the company's sales trends.

MARKETING - Developed

A key strength of Anheuser-Busch, Inc. is its well-balanced line of quality beers. Budweiser is the world's largest selling beer and the leader in the U.S. premium market. In 1983, the brand began airing commercials saluting the Olympics—specifically the workers, coaches and trainers, who are helping to prepare the Olympic sites and train the athletes for the games. This is done under the banner of "This Bud's For You... The Team Behind the Team" and continued the "salute" campaign, which is in its fifth year of strengthening Budweiser's leadership position.

Michelob continued to dominate the super-premium category and also extended its advertising campaign to the Olympics with commercials that relate the excellence of Michelob with the excellence portrayed in the games.

Top: Response to the Employee Suggestion Program was excellent, resulting in approximately 2,200 new suggestions. Above: Design work was begun in 1983 for modernizations now under way in St. Louis and Newark. These modernizations and upgrading of facilities ensure the brewery's competitive position and enhance long-term job security for employees.

BREWING OPERATIONS

Anheuser-Busch, Inc.'s "total marketing" effort focuses on key market segments—geographic and demographic—and supports them with local and national advertising, other sales programs and expert marketing people.

Above: Involvement with sports activities at all levels plays an important role in Anheuser-Busch, Inc.'s marketing efforts. Opposite page: Anheuser-Busch, Inc. is a "proud sponsor" of the 1984 Summer Games, and the Olympics continue to be the keystone of its extensive support of sports events.

The brewery continued to take advantage of opportunities in the brewing industry's fastest growing segment—light beers—with three products positioned to address three different price segments. Bud Light entered its second year of distribution as the second largest selling light beer. It also extended its "Bring Out Your Best" athlete theme to the Olympics. In addition, the brand began radio and television advertising emphasizing the Bud Light name as the brand of light beer to ask for in bars and restaurants. Super-premium Michelob Light continued its "Michelob Light for the The Winners" campaign. The Natural Light brand adjusted its pricing in many areas of the country with successful results.

Busch, taking advantage of recent growth in beers priced less than premium, expanded into new markets adding Pennsylvania, southern New Jersey and West Virginia. The brand adjusted its price in many areas of the country to be more competitive, with excellent results.

During 1983, Michelob Classic Dark, formerly available only on draught, was introduced in bottles in West Coast markets with encouraging initial results.

Beginning April 1, 1984, Anheuser-Busch, Inc. will introduce a new light alcohol beer, "L A from Anheuser-Busch," into selected test markets throughout the country. The product will be priced at premium beer levels and have an alcohol content approximately half that of regular beer. L A from Anheuser-Busch will be governed by all laws regulating the sale of alcoholic beverages, offering consumers of legal drinking age a light alcohol product with the full taste of beer. Preliminary research indicates a potential market for light alcohol beer because of lifestyle trends in the 1980s, including more emphasis on leisure, recreational activities, responsibility and physical fitness.

Involvement with sports activities played an important role in Anheuser-Busch, Inc.'s marketing efforts in 1983, and the 1984 Olympics will be the keystone of its extensive support of sports events in 1984. The subsidiary began participating in the Olympic Job Opportunities program with the hiring of 18 Olympic hopefuls to positions that allow them to earn a living while having adequate time off to train and compete. In addition to the sponsorship of the U. S. Olympic Committee and the Los Angeles Olympic Organizing Committee, Anheuser-Busch, Inc. sponsors the men's and women's volleyball teams, the shooting team and the U.S. amateur boxing team. As a "proud sponsor" of the 1984 summer games, Anheuser-Busch, Inc. will begin using the Olympic symbol in conjunction with various corporate and brand logos on various packages and in advertising.

The year 1983 marked the celebration of the 50th anniversary of the Budweiser Clydesdale Eight-Horse Hitch, one of America's most widely recognized corporate and product symbols. The famous hitch made its first appearance on April 7, 1933, the day Prohibition was repealed. August A. Busch, Jr., now honorary chairman of the board of Anheuser-Busch Companies, decided that these magnificent animals would make a perfect surprise for his father. The hitch then travelled to New York to deliver one of the first cases of post-Prohibition beer to New York Governor Al Smith, a strong anti-Prohibitionist. It then visited a number of other major cities, and even made a special stop at the White House. In their 50-year history,


Some things speak for themselves.
FOR THE U.S. OLYMPIC COACHES, THE TEAM BEHIND THE TEAM...
THIS BUD'S FOR YOU.
Michelob Light
MICHELOB Light
No room for compromise.
BUD LIGHT
THE BEST HAS A TASTE ALL ITS OWN.
The taste the Mount: is here.
BUSCH
Born of Natural Ingredients
Smooth, Refreshing Beer
Ahh, the beer with the taste for food!
Natural Light
Budweiser USA
Budweiser LIGHT USA
Natural Light USA
BUSCH USA
MICHELOB Light USA
MICHELOB USA

the Clydesdales have travelled more than 1.7 million miles and appeared before millions of Americans.

To improve the coordination of the company's marketing efforts, a new Sales Department was created to integrate the activities of several groups—field sales, military sales, national accounts, young adult coordinators, target market group, pricing and information development and project marketing. By centralizing the direction of these activities, Anheuser-Busch, Inc. has maximized its ability to provide assistance to its wholesalers in aggressively marketing its products.

Another key marketing effort is Dimensions of Excellence, a program which recognizes outstanding wholesaler performance in the areas of company and community service. It also provides the long-term benefits of encouraging continual operational improvements and innovative approaches to wholesaling.

Anheuser-Busch, Inc. continued to emphasize open communications with its wholesalers through the Wholesaler Advisory Panel, comprised of a cross section of wholesalers who meet regularly with top management. Open and frank discussion between the panel and members of management on key company and industry issues and on daily operations is solicited and encouraged.

WHOLESALE OPERATIONS

The Wholesale Operations Division, which operates company-owned wholesalerships, focused on completing internal programs related to organizational development and on upgrading facilities. A major capital expenditure program provided funds for expanding facilities and equipment to accommodate the division's recent and anticipated growth.

BEER PLANNING

Beer Planning ensures that operating and growth strategies, plans and physical plant facilities are integrated and on target for both the short- and

Top: Events marking the celebration of the Clydesdales 50th anniversary included a special ceremony in St. Louis; publication of a book, "All the King's Horses"; a new film; a commemorative tour of cities visited by the original Clydesdale hitch; and special promotions and commercials. Above: The brewery's wholesalers continued to set standards of excellence and leadership for the industry with sophisticated and innovative operations and programs. Right: Independent wholesalers and company-owned wholesale operations again provided the industry's most effective distribution system for Anheuser-Busch, Inc. beers.

long-term. This is accomplished by addressing and integrating the full range of key areas such as consumer perceptions and acceptance of Anheuser-Busch, Inc.'s and competitors' beers, area-by-area sales performance and profitability, industry trends and influences, the daily and long-range shipping plans for the brewery network, and the planned production capability of each facility.

In addition, the Physical Distribution group of Beer Planning manages product flow from the 11 breweries to approximately 950 wholesaling locations. It is guided by principles which ensure the availability of fresh and ample product in a wide variety of packages in all markets, efficient use of production facilities and control of product shipment costs.

ALCOHOL AWARENESS

The company is deeply concerned about the abuse of alcohol and the problem of driving while intoxicated. It is committed to finding effective and appropriate solutions to these problems. A major element in the Anheuser-Busch effort to combat alcohol abuse is "Know When to Say When," a massive program to help its nationwide network of wholesalers promote responsible drinking. The program is designed to help social drinkers steer clear of drunk driving and other alcohol-related incidents by encouraging drinking in moderation. Through "Know When to Say When," a message of moderation can be sent to consumers at the point of purchase and in a variety of other settings.

In addition to this program, Anheuser-Busch Companies and Anheuser-Busch, Inc. provided financial support for programs and organizations which seek to better understand and combat alcohol abuse. These include more than $600,000 annually in financial support for the Alcoholic Beverage Medical Research Foundation at the Johns Hopkins University School of Medicine, for research into the social, medical and behavioral aspects of alcohol abuse. Financial support is also provided to Students Against Driving Drunk (SADD), a program to generate awareness of the DWI problem among high school students and their parents, and to Mothers Against Drunk Drivers (MADD), one of the nation's most active anti-DWI organizations. Also, through the company's charitable foundations, substantial support was provided for the Health Education Foundation, which has developed a retailer training program called Training and Intervention Procedures (TIPS) for servers of alcoholic beverages.

Internally, the company's Employee Assistance Program continued to offer employees and their families counseling on personal problems, including alcohol abuse. It has been used as a model for the development of other similar programs by many Anheuser-Busch, Inc. wholesalers and other businesses.

Top: Anheuser-Busch, Inc.'s management philosophy of balanced planning is reflected in a planning organization that is unique within the industry. Above: A message of moderation is being sent to consumers through the "Know When to Say When" program which promotes responsible drinking.

Beer-Related Operations

The company's vertical integration strategy has aided in developing increased knowledge of the economics of these businesses, ensuring quantity and quality of supplies and helping to control the cost of both packaging and raw materials.

Metal Container continued its emphasis on producing a top quality product while employing the latest technologies and most cost-effective methods known. During 1983, more progress was made on reducing the amount of metal in each can and thus producing a less costly product.

Metal Container Corporation

ONE OF THE ANHEUSER-BUSCH COMPANIES

Metal Container Corporation, the company's can and lid manufacturing subsidiary, once again had record production and sales volume in 1983, as it has had every year during its history. The subsidiary produced 3.9 billion cans in 1983, providing approximately 36% of Anheuser-Busch, Inc.'s total can requirements and 12% of all the beer cans produced in the United States.

The newest Metal Container plant in Gainesville, Fla., moved towards full production in 1983, manufacturing ecology lids in a state-of-the-art facility. During 1984, this plant is expected to make enough lids to support approximately 18% of Anheuser-Busch, Inc.'s needs.

The three Metal Container can plants are currently producing aluminum two-piece drawn and ironed cans, although each plant remains able to produce steel cans as well. This bi-metallic capability would allow the subsidiary to react rapidly should market conditions dictate.

The can and lid business has been fiercely competitive during the last few years due to overcapacity in the industry coupled with slowed growth in the U.S. beverage market. During that same period, however, Anheuser-Busch, Inc. has steadily increased its demand for beer cans, ensuring a buyer for all of Metal Container's output. To remain at the forefront of the can industry, Metal Container has developed long-range plans to modernize its can-making facilities. This modernization program will further reduce the cost of cans through increased efficiency and productivity.

Busch Agricultural Resources, Inc.

ONE OF THE ANHEUSER-BUSCH COMPANIES

In 1983 Busch Agricultural Resources increased the diversity of its operations and its capabilities to serve Anheuser-Busch, Inc.

The subsidiary established records based on higher sales of malt and milled rice to Anheuser-Busch, Inc. In December, the subsidiary successfully started operating a four million bushel malt plant addition at Manitowoc, Wis. This addition increased capacity by 25%, and Busch Agricultural Resources now supplies 32% of Anheuser-Busch, Inc.'s malt requirements.

The Jonesboro, Ark., rice mill completed its first full year's operation in 1983. Its performance exceeded budgeted volume by 18 percent.

Continuing investigations into new business opportunities have led to the leasing of the Goldberg Grain Elevator in Fargo, N.D. This elevator will be instrumental in supplying quality barley to company malt plants, as well as to other grain customers. Busch Agricultural Resources also acquired the assets of Southern Turf Nurseries in Jacksonville and Houston. These operations are involved in the land application of brewery wastewater and the production of high quality sod which is sold primarily to professional landscapers and for use on golf courses and athletic fields. The subsidiary will continue to pursue development of additional related business opportunities.

Busch Agricultural Resources' primary businesses are processing barley (pictured) into brewer's malt and operating rice handling, storage and milling facilities.

Beer-Related Operations

Top: Container Recovery Corporation collected more than 180 million pounds of aluminum through all of its programs in 1983. Above: A unique print advertising campaign helped Budweiser remain the number one imported beer in Japan in 1983.

Container Recovery Corporation

ONE OF THE ANHEUSER-BUSCH COMPANIES

Container Recovery Corporation, the company's can recycling subsidiary, strengthened its hold on second place in the aluminum can recovery industry by collecting more than 180 million pounds of aluminum through all of its programs, a 10% increase over 1982. Container Recovery operates in 46 states and in the District of Columbia.

In early 1983, Container Recovery began operation of its second bottle sorting facility, located in Nashua, N.H. The facility is designed to sort returnable glass bottles by container type from the mandatory deposit states of Maine and Vermont. These containers are then returned to the Merrimack brewery for cleaning and reuse.

After two years of severe recession in the aluminum industry, the demand for used aluminum beverage containers increased dramatically in the latter half of 1983. This increased the value of the aluminum collected and enhanced the success of the recycling effort. As the economy recovers, it is expected that the strong demand for used aluminum beverage containers will continue, resulting in increased value for the aluminum collected.

Container Recovery's expansion strategy during the recessionary period is reaping benefits both in terms of providing a positive alternative to mandatory deposits and reducing the inflationary pressures on container costs through recycling.

Anheuser-Busch International, Inc.

ONE OF THE ANHEUSER-BUSCH COMPANIES

Anheuser-Busch International continued to build upon previous successes in export and licensed-production markets. In Canada, locally brewed Budweiser is one of that country's top 10 beer brands. In Japan, Budweiser increased its lead as the largest selling import. As part of its 1983 marketing program there, Budweiser hosted several past and present members of the St. Louis Cardinals baseball team (including Stan Musial and Lou Brock) on a highly successful goodwill tour. The Busch brand continued its license-brewed sales in France.

During 1984, locally brewed Budweiser will be launched in three countries. In Japan, the brand's current distributor, Suntory Limited, will begin licensed brewing. In Israel, Budweiser will be brewed and sold by the National Brewery Limited. In the United Kingdom, a license agreement has been reached with the Watney Mann & Truman Brewers Ltd. These introductions will attempt to place Budweiser in the mainstream of each country's beer market.

Export markets will continue to be developed on a selective basis, and the search will continue for suitable new licensees capable of brewing and marketing Anheuser-Busch, Inc.'s quality beers.

Food Products Operations

Campbell Taggart continued to capitalize on its strengths while planning and implementing changes for future growth.

Above: New packaging graphics complement a new advertising and promotion campaign for brand name white bread. Right: Earth Grains bread is "The Official Bread Supplier to the 1984 Summer Olympic Games."

Campbell Taggart, Inc.

ONE OF THE ANHEUSER-BUSCH COMPANIES

During 1983, all major operations of the Dallas-based food products company—bakery products, refrigerated foods, frozen foods and international—recorded increased sales.

A number of actions were taken during 1983 as Campbell Taggart prepared to more effectively meet the competitive demands of its business activities. These included changes in the corporate organization to provide the structure required for increased growth in the years ahead, a major capital expenditure program and new marketing programs.

The capital expenditure program was initiated to modernize existing facilities and increase productivity in all major operations. A new bakery is being constructed in Almansa, Spain, by Bimbo, S.A., a Campbell Taggart subsidiary, which is the largest commercial baker in that country. Projects in the U.S. include a major expansion of the Colonial bakery in St. Louis.

To compete more effectively in the highly competitive baking industry, Campbell Taggart has made significant changes in its marketing efforts including the development of a brand management team in its Bakery Operations area, which has initiated changes in packaging and vehicle graphics, media and promotions.

The introduction of these new marketing and productivity improvement programs and the new organizational structure should ensure continued improvement in all operations.

Bakery Operations

Campbell Taggart continued as the baking leader in the Sunbelt and as the second largest commercial baker in the United States, with 58 wholesale bakeries serving local markets, predominantly in the Sunbelt and Midwest.

Food Products Operations

Top: Campbell Taggart's Merico, Inc. subsidiary introduced Sun-Maid brand refrigerated dough products. Above: The El Charrito Classic Cuisine line of gourmet Mexican frozen foods was introduced in 1983.

Operating profits were down in 1983 as a result of competitive pressures and the cost of expanded marketing programs and expenditures to upgrade facilities and vehicles. However, these costs were incurred to lay a foundation for future growth and expansion.

The baking industry is characterized by intense price competition brought about by excess industry capacity. Name brand white bread sales followed overall industry trends and declined in 1983. Recognizing these market factors, Campbell Taggart's strategy will be to differentiate its brands by quality and by marketing support to win a strong consumer franchise for its products.

Major media support of the Earth Grains product line was undertaken in 1983. Advertising and promotion support is designed to position the Earth Grains brand as the premium variety bread in America. The successful execution of "The Promise of Earth Grains...Bread at Its Best" advertising campaign capitalized on the positive perceptions among variety bread consumers regarding nutrition, wholesomeness and good taste. Earth Grains volume has responded well to this aggressive marketing push.

The modifications in packaging graphics and truck decals, which complement a new advertising and promotion campaign designed to reflect the highest quality image, should position bakery operations to take advantage of these factors. The "We've Got the Best Right Here" advertising campaign will aid in Campbell Taggart's attempt to reverse declining sales trends in name brand white bread.

Soft variety products marketed under the Natural Hearth, Country Hearth and Honey Grain brands continued to show strong sales growth. This segment of the variety bread business is the fastest growing volume segment in the industry.

Campbell Taggart's bakery operation is looking forward to varying degrees of growth in all market segments. The focal point in 1984 for the Earth Grains line will be its association with the Summer Olympic Games in Los Angeles. Earth Grains bread is "The Official Bread Supplier to the 1984 Summer Olympic Games." In addition, new packaging and point-of-sale material have been developed and will be introduced throughout the year to complement advertising and promotion campaigns.

Refrigerated Products

In 1983, Campbell Taggart's Merico, Inc. subsidiary introduced Sun-Maid brand refrigerated dough products with excellent consumer acceptance. These include cookies, raisin cinnamon rolls and raisin english muffins. The leading manufacturer of private label refrigerated dough products, Merico expanded its private label products with cinnamon rolls and a premium flaky biscuit line.

Geographic expansion of retail dip sales continued on schedule. Food service sales increased significantly in white and flavored dressings, pastry whipped toppings, aerosol toppings and creamers, while sour cream sales were flat.

Plans for marketing area expansion of the retail and food service categories are proceeding on target.

Bakery operations made significant changes in its marketing efforts including new vehicle graphics.

Food Products Operations

FROZEN FOOD PRODUCTS

The El Charrito Classic Cuisine line of gourmet Mexican frozen foods was successfully introduced in 1983. El Charrito continued to be the third largest seller of frozen Mexican food products, the largest segment of the expanding frozen ethnic foods market. New packaging and product development are planned to take advantage of this growth.

INTERNATIONAL

Campbell Taggart's international subsidiaries, with manufacturing operations in Spain, France and Brazil, had an excellent overall performance in 1983. Its Spanish subsidiary, Bimbo, S.A., recorded its most profitable year ever, along with tonnage growth over 1982. Bimbo is the largest commercial baker in Spain with five bakeries. To provide capacity for future needs in Spain, a sixth bakery is being constructed.

The national rollout into the doughnut market, made possible by the installation of doughnut lines at all five Bimbo manufacturing plants, resulted in a market penetration exceeding expectations. A new bun line was added during the year to the Antequera plant to provide Bimbo capacity for future growth in Spain's rapidly growing consumer and institutional bun market.

In France, a subsidiary produces refrigerated dough products at its plant in northern France. They are distributed throughout the European Common Market with the distribution expertise of BSN-Gervais Danone and Kraft. In Rio de Janeiro, Brazil, Campbell Taggart owns a 50% interest in a company which produces bread and buns under the Plus Vita brand name.

OTHER

Another Campbell Taggart subsidiary, Herby's Foods, makes fresh sandwiches daily for sale to convenience stores and vendors. It continued implementation of production automation and control programs and experienced growth in sales in the Midwest with a major convenience store chain.

Campbell Taggart's folding carton packaging division, which makes folding cartons for sale to other Campbell Taggart divisions and to outside customers, completed a major production expansion program and recorded its sixth consecutive year of record sales and profits.

In 1983, three more Old America Stores, which sell imported and domestic novelty merchandise, were opened—one each in Houston, Tex., Scottsdale, Ariz., and Birmingham, Ala. Campbell Taggart also operates stores in Corpus Christi, Tex., and Baton Rouge, La.

Top: In Spain, wheat breads, toast, buns and bread sticks are marketed under the Silueta brand name. Above: Herby's Foods makes fresh sandwiches daily for sale to convenience stores and vendors.

EAGLE SNACKS, INC.

ONE OF THE ANHEUSER-BUSCH COMPANIES

Eagle Snacks, Inc. produces a full line of premium snack food and nut items. Distributed through Anheuser-Busch, Inc. wholesalers, the snacks are sold in approximately 100 markets in the Eastern U.S., to many airlines, and in most major airports across the country.

To support continued growth in sales, steps were taken to increase Eagle Snack's production capacity. First, Eagle Snacks purchased the remaining minority shareholder's interest in its nut processing plant in North Carolina. This plant is now being expanded to produce potato and tortilla chips as well as nutmeats and cheese crunch. Secondly, Campbell Taggart's Fort Payne, Ala. plant will soon begin production of A & Eagle pretzels and cheese crackers for the snack company.

The snack industry continues to demonstrate volume growth and to present an attractive diversification opportunity for a super-premium snack line.

BUSCH INDUSTRIAL PRODUCTS CORPORATION

ONE OF THE ANHEUSER-BUSCH COMPANIES

Busch Industrial Products Corporation is the leading producer and marketer of compressed yeast for the baking industry. In 1983, it set a new production volume record for baker's yeast and celebrated the production of its four billionth pound of yeast since beginning operations in 1927.

A 60% expansion of the Bakersfield plant was completed in 1983, and a 20% expansion and modernization of the St. Louis plant, now under way, will be completed in 1984. Work is commencing on a bio-energy recovery system at the Old Bridge plant, the first such system for a U.S. yeast plant. Completion is expected in late 1984, and substantial energy savings are projected.

In 1983, Busch Industrial Products successfully introduced Budweiser Autolyzed Yeast, a flavor enhancer for the meat industry. This new product complements the autolyzed yeast extract product line, a series of flavor enhancers for the food processing industry. Yeast extracts are produced in a modern St. Louis facility which ran at near maximum capacity during 1983.

Top: Consumer and retailer acceptance of Eagle Snacks sold in supermarkets and food stores was encouraging, and Eagle Snacks expanded distribution to additional outlets within existing markets in 1983. Above: Baker's yeast is produced at three plants which service the entire United States, eastern Canada and Puerto Rico.

Diversified Operations

Top: New attractions and an improved economy contributed to an attendance increase in 1983 at The Old Country, which continues to be the most popular attraction in Virginia. Center: Adventure Island's newest attraction, "The Gulf Scream," helped generate record crowds in 1983. Above: Kingsmill on the James had record sales of its single-family homesites, townhomes, cluster homes and vacation homes.

Busch Entertainment Corporation

ONE OF THE ANHEUSER-BUSCH COMPANIES

Busch Entertainment Corporation, the company's family entertainment subsidiary, operates two major theme parks, a water park attraction and two educational play parks. During the 1983 season, Busch Gardens Tampa (The Dark Continent) completed a new children's section, as well as a new theater in the Moroccan Village. The Dark Continent attracted 2.9 million visitors in 1983, a decrease of approximately 6% from 1982. This decline was anticipated, due to the new competitive draw of the EPCOT Center in Orlando. While The Dark Continent reaped the benefits of increased tourism to Florida, the park lost attendance from in-state visitors to EPCOT.

Adventure Island, the subsidiary's water park adjacent to The Dark Continent, had its best year ever with the introduction of a five-story water slide, "The Gulf Scream." This attraction helped generate record crowds throughout the summer months as attendance for the year increased 16%.

Busch Gardens Williamsburg (The Old Country) opened "Da Vinci's Cradle," a new ride in the Italian section of the park, and an expanded outdoor amphitheater featuring top name concert entertainment. The Old Country hosted 1.95 million guests this season, up 2% over 1982.

Busch Entertainment owns and operates two Sesame Place parks. The children's play parks, which have a theme based on the popular Sesame Street show, continued to attract attention for their innovative approach to family entertainment. One, located just north of Philadelphia, completed its third full year of operation in 1983; the other, near Dallas/Fort Worth, opened during the 1982 season. In 1983, a new live musical show and water play elements proved popular at both parks.

Busch Properties, Inc.

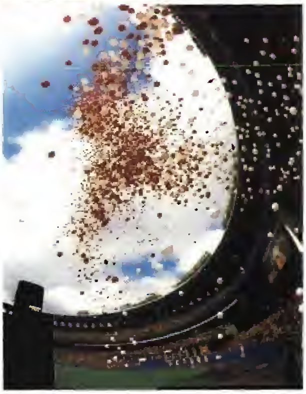
ONE OF THE ANHEUSER-BUSCH COMPANIES

Busch Properties, Inc. is involved in the development of various residential and commercial properties. Kingsmill on the James, a 2,900-acre residential and recreational development near Williamsburg, Va., had an excellent year with record sales of its single-family homesites, townhomes, cluster homes and vacation homes. Construction is under way for the third phase of vacation homes. In addition, the restaurant had improved attendance and the golf course operated at near capacity, including hosting the Anheuser-Busch Golf Classic, a major stop on the PGA tour. Planning is now under way for a second golf course.

Development of commercial properties continued at the three Busch Corporate Center business/industrial park operations. Additional acreage was sold at the Busch Corporate Center in Williamsburg. At the Columbus, Ohio, center, leasing of a previously sold 217,000-square-foot building continued, despite a soft office market. Activity at the Busch Corporate Center in Fairfield, Calif., was hampered by a very soft real estate market in northern California.

This rare white tiger is part of a collection of more than 3,000 animals at Busch Gardens Tampa, one of the nation's top four zoos.

DIVERSIFIED OPERATIONS



Top: The team's 207 stolen bases, an all-time Cardinal season record, provided excitement for the fans and helped keep the Redbirds as close as a half-game out of first place as late as Labor Day. Above: Busch Stadium set a new attendance record for all events of more than 3,179,000.

ST. LOUIS NATIONAL BASEBALL CLUB, INC.

ONE OF THE ANHEUSER-BUSCH COMPANIES

In 1983, the St. Louis National Baseball Club, Inc. set attendance records in St. Louis and on the road. The 1982 World Champion Cardinals drew 2,344,000 paying fans to Busch Stadium in 1983, the second consecutive year of record attendance.

On the field, the team was in contention for the Eastern Division Championship of the National League for most of the season. They ultimately finished fourth in the division.

The season was highlighted by a no-hit game pitched by Bob Forsch against Montreal late in September and the development of rookie players such as pitcher Danny Cox and outfielder-infielder Andy Van Slyke. Outfielder Willie McGee and shortstop Ozzie Smith won "Gold Glove" awards for fielding excellence, and along with first baseman George Hendrick, were elected to represent the National League in the All-Star Game which was managed by the Cardinals' Whitey Herzog. Hendrick also garnered post-season honors as UPI's and the Sporting News' National League All-Star first baseman and won his second career "Silver Slugger" award.

CIVIC CENTER CORPORATION

ONE OF THE ANHEUSER-BUSCH COMPANIES

During 1983 there was continued emphasis and success in marketing Busch Stadium, one of the major Civic Center properties, for both sporting and entertainment events. This resulted in a new attendance record of more than 3,179,000. Also, a new state-of-the-art scoreboard system, employing the latest technology in color video and black and white information and animation, was installed prior to the beginning of the 1983 baseball season. Improvements at the stadium are continuing with the installation of a new Astroturf playing field which will be completed prior to the 1984 baseball season.

In October 1983, Civic Center sold its ownership of the Clarion Hotel property (formerly Stouffer's Riverfront Towers) to St. Louis S. I. Ltd., which had leased the hotel from Civic Center and had been responsible for its operation since the hotel was built in the late 1960s.

In addition to Busch Stadium, Civic Center Corporation owns various downtown St. Louis properties including four parking garages adjacent to or near the stadium and 2¾ undeveloped downtown city blocks. The continuing and rapid development of downtown St. Louis places the undeveloped properties in attractive positions for future development opportunities.

BUSCH CREATIVE SERVICES CORPORATION

ONE OF THE ANHEUSER-BUSCH COMPANIES

In 1983, in addition to continuing its production of major business meetings and product promotional materials for Anheuser-Busch Companies, Busch Creative Services successfully sold its multi-media and creative design services to outside clients. Business meetings were produced for a number of major corporations. A video services department was added to handle the growing video needs of Anheuser-Busch and other corporations in the St. Louis area.

With the company's success in selling its creative services to major corporations, Busch Creative Services will expand its marketing effort and aggressively pursue additional business with corporations on a local, regional and national level. The business communications industry continues to grow, and Busch Creative Services has the proven quality creative capabilities to make it a formidable competitor.

ST. LOUIS REFRIGERATOR CAR COMPANY

ONE OF THE ANHEUSER-BUSCH COMPANIES

St. Louis Refrigerator Car Company provides commercial repair, rebuilding, maintenance and inspection of railroad cars. It also operates a fleet of railroad cars used exclusively for the transportation of Anheuser-Busch, Inc.'s beers. In 1983 the 700 insulated and cushioned cars continued to be well utilized. The subsidiary's performance was significantly improved compared to 1982, despite the persisting slump in those industries that historically use rail transportation and the consequent diminished demand for the repair services of its facilities in St. Louis, Mo., Wood River, Ill., and Fort Worth, Tex. The demand for traditional transportation services is influenced by the changing economy, emerging transportation technologies and railroad consolidations.

MANUFACTURERS RAILWAY COMPANY

ONE OF THE ANHEUSER-BUSCH COMPANIES

Manufacturers Railway Company provides terminal rail switching services to St. Louis industries and operates a fleet of rail cars used by the company and outside firms. Its subsidiaries also furnish truck cartage and warehousing services at seven brewery locations. The subsidiary had a profitable 1983, although rail shipping services at St. Louis declined, mainly because of shifts in beer shipping patterns and diversions of shipments from rail to truck.

Top: Busch Creative's video services department provides technical services for the quarterly production of Corporate Communications' employee video magazine, Eagleye. Center: With redirected marketing objectives, St. Louis Refrigerator Car Company is well positioned technically and geographically to take advantage of the stronger economy. Above: Because of the level of brewery-related activity, Manufacturers Railway and its trucking subsidiaries were relatively unaffected by fluctuations in the economy.

Joint Ventures

Top: International Label Company produces metalized and other labels for Anheuser-Busch, Inc., and a variety of other customers. Above: Sports Time has contracts with a number of major sports programming sources, including the Big Eight Basketball Conference.

International Label Company

A joint venture between a wholly owned subsidiary of Anheuser-Busch Companies and Illochroma International, S.A. of Brussels, Belgium, International Label Company produces metalized labels for Anheuser-Busch, Inc., and other food and beverage customers. The 100,000-square-foot plant in Clarksville, Tenn., the first fully integrated paper metalizing and printing facility in the U. S., utilizes the latest technology available in the industry. International Label possesses a unique technology, pioneered in Europe by Illochroma, which provides distinct advantages in the domestic metalizing and printing industry.

Sports Time

During 1983, Anheuser-Busch Companies, through a wholly owned subsidiary, entered into a joint venture, in which the subsidiary is majority owner, to form a new regional sports pay TV cable network called Sports Time. The growth of cable television and consumer demand for more regional sports on television were significant factors in the formation of Sports Time. The new network will begin programming in April 1984 with the St. Louis Cardinals, Kansas City Royals and Cincinnati Reds baseball as the major attractions.

Financial Review Contents

Management's Discussion and Analysis of Operations and Financial Condition	30
Responsibility for Financial Statements	35
Consolidated Balance Sheet	36
Consolidated Statement of Income	38
Consolidated Statement of Shareholders Equity and Convertible Redeemable Preferred Stock	39
Consolidated Statement of Changes in Financial Position	40
Notes to Consolidated Financial Statements	41
Report of Independent Accountants	47
Supplemental Inflation Adjusted Information	48
Financial Summary—Operations	50
Financial Summary—Balance Sheet and Other Information	52

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

OPERATIONS

Operations of Anheuser-Busch Companies, Inc. for 1983 and 1982 include the results of Campbell Taggart since the date of acquisition on November 2, 1982. In accordance with generally accepted accounting principles, the figures for 1982 have not been restated to include the results of Campbell Taggart for the full year. The operating results of Campbell Taggart for the period November 2, 1982 through December 31, 1982 did not have a significant impact on 1982 consolidated operating results.

Sales

Anheuser-Busch Companies, Inc. achieved record gross sales during 1983 of $6.66 billion, a 28.4% increase over 1982 gross sales of $5.19 billion. Gross sales include federal and state beer excise taxes of $624.3 million in 1983 and $609.1 million in 1982.

Net sales were a record $6.03 billion, an increase of $1.45 billion over 1982 net sales of $4.58 billion.

During the past three years, net sales have increased 31.8%, 19.0% and 16.7%, respectively. The growth in net sales reflects the inclusion of Campbell Taggart sales for 1983, the increase in beer sales volume and revenue per barrel as well as the increasing sales of the company's other operations. In 1983, an all-time industry record of 60.5 million barrels of beer were sold. This represents an increase of 1.4 million barrels or 2.4% over 1982 beer volume of 59.1 million barrels and follows volume gains of 4.6 million barrels in 1982 and 4.3 million barrels in 1981, which represented increases of 8.5% and 8.6%, respectively. During the same periods, revenue per barrel increased 6.1%, 6.7% and 7.6%.

Cost of Products Sold

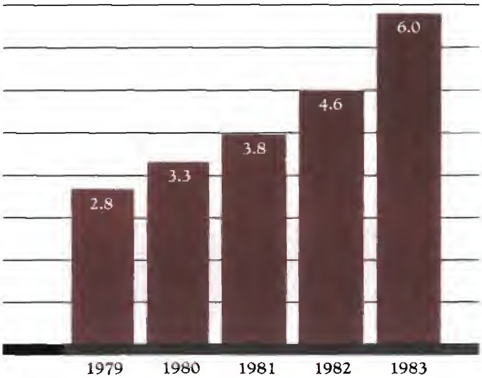
Cost of products sold for 1983 was $4.11 billion, a 23.5% increase over the $3.33 billion reported in 1982. This increase follows a 12.0% and 16.5% increase in 1982 and 1981, respectively. These increases were primarily related to the inclusion of Campbell Taggart cost of goods sold for 1983 and higher beer sales volume. During the past three years, the company has also experienced higher costs for materials, energy and utilities, payrolls, supplies, depreciation, insurance and taxes.

As a percent of net sales, cost of products sold has declined during the past three years from 77.3% in 1981 to 72.8% in 1982 and 68.2% in 1983.

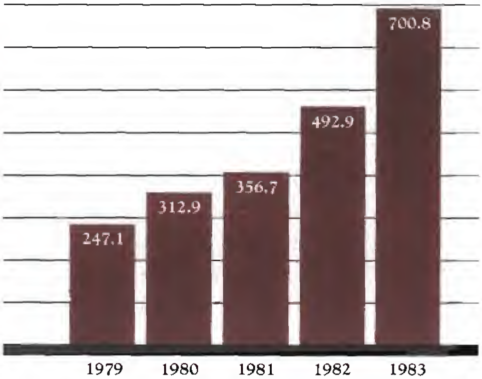
Marketing, Administrative and Research Expense

Marketing, administrative and research expenses for 1983 were $1.22 billion, an increase of 62.3% over 1982. The percentage increase in 1982 was 46.0% as compared to a 20.2% increase in 1981. The significant increase in 1983 expenses primarily results from the

Net Sales
(In billions of $)



Operating Income
(In millions of $)



inclusion of Campbell Taggart expenses for the full year. In addition, these expenses have increased over the past three years as a result of the higher level of sales activity, inflationary cost pressures, introduction of Budweiser Light, entering international markets, and diversification into new products/ventures. Areas significantly affected by these factors since 1981 include media advertising, point-of-sale material, developmental expenses associated with new advertising and marketing programs for established products as well as new products; operating expenses of company-owned wholesale operations; payroll and related cost; business taxes; depreciation; supplies and general operating expenses.

Taxes and Payroll Costs

Taxes applicable to 1983 operations (not including the many indirect taxes included in materials and services purchased) totaled $1.02 billion, highlighting the burden of taxation on the company and business in general. Taxes for 1983 increased $146.3 million or 16.6% over 1982 taxes of $878.6 million. This increase follows increases of 18.7% in 1982 and 8.0% in 1981 and results principally from the inclusion of Campbell Taggart, increased beer excise taxes related to higher sales volume and higher income taxes related to the company's increased earnings level.

Payroll costs during 1983 totaled $1.35 billion, an increase of $497.5 million or 58.3% over 1982 payroll costs of $853.3 million. This increase follows a 24.3% increase in payroll costs in 1982 over 1981 and a 15.6% increase in 1981 over 1980. The increases in payroll costs reflect the addition of Campbell Taggart and the effect of normal increases in salary and wage rates, benefit costs and additional employees required to support the expanding operations of the company over the past three years.

Salaries and wages paid during 1983 totaled $1.1 billion. Pension, life insurance and welfare benefits amounted to $162.8 million and payroll taxes were $82.3 million. Employment at December 31, 1983 was 39,320 compared to 38,133 at December 31, 1982.

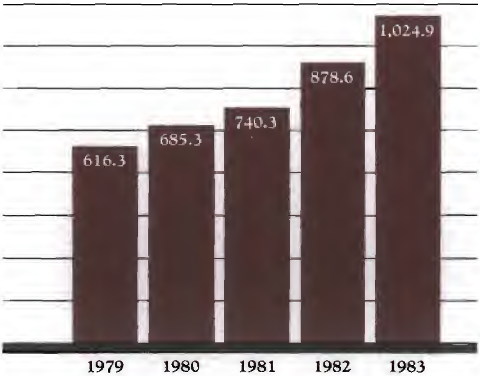
Operating Income

Operating income, the measure of a company's operating performance before interest costs, was $700.8 million in 1983, a $207.9 million increase or 42.2% over 1982. Operating income as a percent of net sales was 11.6% in 1983 as compared to 10.8% in 1982 and 9.3% in 1981.

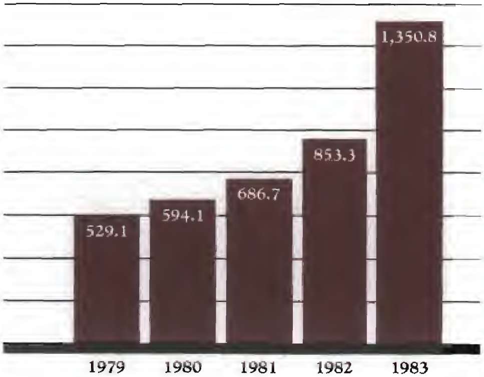
Net Interest Cost

Net interest cost, or interest expense less interest income, before capitalization of interest was $98.9 million in 1983. This reflects increases of $26.7 and $15.5 million when compared to 1982 and 1981 net interest costs of $72.2 and $83.4 million, respectively. These increases are primarily due to the issuance of $100.0 million of 11-7/8% sinking fund debentures in October, 1982 and the assumption of Campbell Taggart debt.

Total Taxes Paid
(In millions of $)



Total Payroll Cost
(In millions of $)



MANAGEMENT'S DISCUSSION

Net Income

Net income for 1983 was $348.0 million, an increase of 27.0% compared with $274.0 million for 1982, which excludes the $13.3 million nonrecurring gain on the sale of the corn refining plant in Lafayette, Indiana.

Fully diluted earnings per share of common stock for 1983 were $6.50, an increase of 16.1% compared with $5.60 for 1982, excluding the nonrecurring gain on the sale of the Lafayette corn refining plant, which increased 1982 fully diluted earnings per share by $.28 to $5.88.

Net income for 1982 was $274.0 million, excluding the nonrecurring gain, an increase of 26.0% over 1981 net income of $217.4 million. Earnings per share in 1982 were $5.60 (fully diluted), excluding the nonrecurring gain, an increase of 21.5% compared to the $4.61 per share earned in 1981.

The effective tax rate was 43.5% in 1983, 39.4% in 1982 and 33.1% in 1981. Changes in the effective tax rate from year-to-year are primarily due to the varying amounts of investment tax credit generated in each year and the effect of the investment tax credit basis adjustment in 1983.

FINANCIAL POSITION

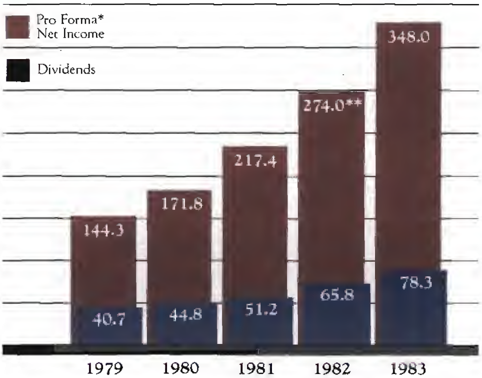
Liquidity and Capital Resources

The company's primary sources of liquidity are cash provided from operations and external committed debt facilities. Summarized cash flow information for the past three years is set forth below:

	1983	1982	1981
	(In millions)		
Operating cash flows:			
Cash inflows:			
Net income	$348.0	$287.3	$217.4
Add non-cash charges	348.2	243.6	218.9
	696.2	530.9	436.3
(Increase)/decrease in non-cash working capital*	92.6	(27.5)	36.9
	788.8	503.4	473.2
Cash outflows:			
Net additions to plant and equipment	428.0	355.8	421.3
Dividends to shareholders	108.0	65.8	51.2
Increase/(decrease) in investments and other, net	**23.3**	(13.9)	17.6
	559.3	407.7	490.1
Net operating cash flow	**229.5**	95.7	(16.9)
Purchase of Campbell Taggart common shares	–	275.0	–
Financing cash flows:			
Increase/(decrease) in			
Long-term debt	(7.6)	151.7	73.4
Short-term debt	**(25.0)**	(44.5)	23.1
	(32.6)	107.2	96.5
Increase/(decrease) in cash and marketable securities	**$196.9**	$ (72.1)	$ 79.6

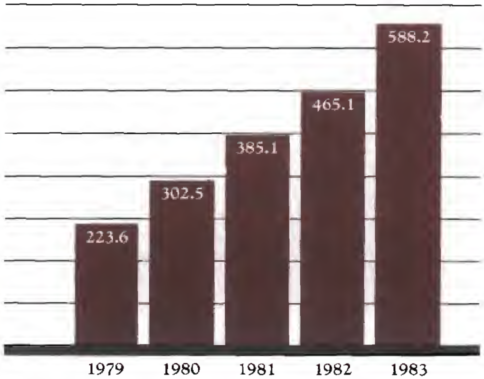
*Includes all current assets except cash and marketable securities and all current liabilities except short-term debt and installment purchase obligation.

Pro Forma* Net Income/Dividends on Common Stock
(In millions of $)



*Assuming retroactive application of change in accounting for investment tax credit to January 1, 1979.
**Excludes nonrecurring, after-tax gain of $13.3 million on sale of Lafayette plant.

Amount Provided for Expansion*
(In millions of $)



*Working capital provided by operations less dividends.

Working capital at December 31, 1983 was $175.1 million as compared to 1982 working capital of $45.8 million. The working capital ratio was 1.2 to 1 at December 31, 1983 and 1.1 to 1 at December 31, 1982 and 1981. A comparative consolidated statement of Changes in Financial Position appears on page 40 of this report.

During 1982 the company expended $275.0 million in cash and issued $285.0 million of convertible redeemable preferred stock to purchase all the outstanding common shares of Campbell Taggart, Inc. This transaction is discussed in Note 2 to the Consolidated Financial Statements.

During the next five years, the company plans an extensive capital expenditure program designed to take advantage of growth opportunities for its beer, food products and other businesses. Cash flow from operations will be the principal source of funds to support these capital investments. However, a capital investment program of this magnitude may require additional external financing. The nature and timing of such external financing will vary depending upon the company's evaluation of existing market conditions and other economic factors.

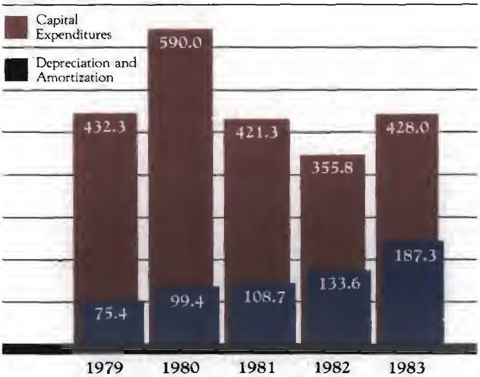
In October 1982, the company filed a shelf registration statement covering up to $200.0 million of debt securities. During October 1982, the company issued $100.0 million of 11-7/8% sinking fund debentures due in 2012 under the shelf registration statement. The proceeds from this debt issue were primarily used for the purchase of Campbell Taggart common stock. The company has the option to issue the remaining $100.0 million of debt securities under this registration statement at such time as it considers appropriate.

In April 1982, the company called for redemption all the outstanding 9.00% convertible subordinated debentures due October 1, 2005. Substantially all of the bondholders converted their debentures at a price of $35.94 per share, resulting in the issuance of approximately 2.8 million shares of common stock.

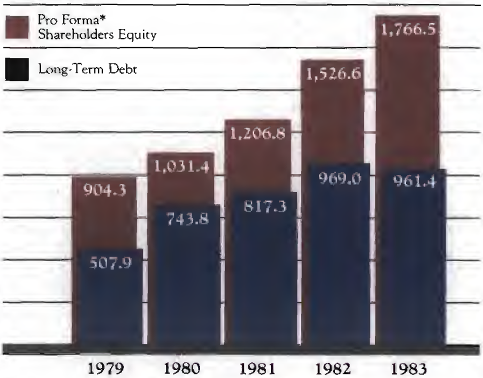
In addition, the company has been active in the short-term capital market utilizing its bank credit agreements and commercial paper to finance short-term working capital requirements and as a bridge to permanent financing of capital investments. The company has formal bank credit agreements which provide for maximum borrowing of $500.0 million. These agreements, the details of which are discussed in Note 4 to the Consolidated Financial Statements, provide the company with immediate and continued sources of liquidity.

The company's ratio of total debt to total debt plus equity was 31.9%, 35.4% and 42.4%, at December 31, 1983, 1982, and 1981, respectively. This percentage has been calculated in 1983 and 1982 by including redeemable preferred stock as part of equity because it is convertible into common stock and is trading primarily on its equity characteristics.

Capital Expenditures/Depreciation and Amortization
(In millions of $)



Pro Forma* Shareholders Equity/Long-Term Debt
(In millions of $)



*Assuming retroactive application of change in accounting for investment tax credit to January 1, 1979.

MANAGEMENT'S DISCUSSION

Capital Expenditures

The company has a formalized and intensive review procedure for all capital expenditures. The most important measure of acceptability of a capital project is its projected discounted cash flow return on investment.

Capital expenditures in 1983 amounted to $428.0 million as compared with $355.8 million in 1982. During the past five years, capital expenditures totaled $2.2 billion.

Capital expenditures for 1983 for the company's beer and beer-related operations were $348.1 million. Major expenditures by the company's brewing subsidiary include the expansion of the Baldwinsville, New York and Houston, Texas breweries as well as expenditures designed to improve productivity at all breweries. Major capital investments were made by Busch Agricultural Resources for the expansion of the Manitowoc, Wisconsin malting facility and by Metal Container Corporation for the completion of a lid plant in Gainesville, Florida.

The remaining 1983 capital expenditures totaling $79.9 million were made by the company's food products and diversified operations. Major expenditures include Campbell Taggart's purchase of bread delivery trucks and for bakery modernization and productivity improvement programs; Busch Industrial Products expansion of the St. Louis, Missouri and Bakersfield, California yeast plants; construction by Eagle Snacks of potato and tortilla chip lines at its North Carolina plant; and new Busch Entertainment attractions.

The company expects its capital expenditures in 1984 to approximate $450 to $500 million. Capital expenditures during the five-year period 1984-1988 are expected to exceed $2.0 billion.

Dividends

Cash dividends paid to common shareholders were $78.3 million in 1983 and $65.8 million in 1982. Common stock dividends were paid in the months of March, June, September and December of each year. In the third quarter of 1983, the company increased the quarterly dividend from $.37 to $.44 per share. Annual dividends paid per common share increased 17.4% in 1983 to $1.62 per share compared to $1.38 per share paid in 1982. In 1983, dividends were $.37 for each of the first two quarters and $.44 for the last two quarters, as compared to $.32 for the first two quarters and $.37 for the last two quarters of 1982.

The company has paid dividends in each of the past 51 years. During that time, the company stock has split five times and stock dividends have been paid three times.

In connection with the acquisition of Campbell Taggart, 7.5 million shares of convertible redeemable preferred stock were issued. The preferred stock has an annual dividend rate of $3.60 per share and cash dividends were paid in the months of March, June, September and December of 1983.

At December 31, 1983 and 1982, common shareholders of record numbered 30,317. Preferred shareholders as of December 31, 1983 numbered 2,438 compared with 2,294 at the end of 1982.

Price Range of Common Stock

The company's common stock is listed on the New York Stock Exchange (NYSE) under the symbol "BUD". The table below summarizes the high and low sales prices on the NYSE.

	1983		1982	
QUARTER	High	Low	High	Low
First	75-1/2	58-1/2	46-1/4	38-5/8
Second	77	62-3/4	52-3/4	43-7/8
Third	70-3/4	60-1/4	62-3/8	45
Fourth	72-1/4	60-7/8	70-3/4	58-1/8

Common Stock and Other Shareholders Equity

Shareholders equity was $1.77 billion at December 31, 1983 as compared with $1.53 billion at the end of 1982. The increase in 1983 represents the retention of $240.0 million of earnings in the business. The book value of each share of common stock at December 31, 1983 was $36.50 as compared to $31.61 at December 31, 1982.

In 1983, the return on average shareholders equity was 18.0% as compared with 19.9% in 1982. This return includes the convertible redeemable preferred stock, issued in November 1982, as equity. The 1983 decrease in the ratio is due principally to the effect of including the preferred stock in equity for a full year.

Inflation

Inflation has had an impact on the company's reported results of operations, shareholders equity and financial condition. The section of the annual report entitled Supplemental Inflation Adjusted Information on pages 48-49 is intended to present an estimation of the effects of inflation on the company. This information has been developed in accordance with the requirements of FASB Statement No. 33 and is experimental in nature. As such, the inflation adjusted information may not represent the true effect of inflation on the company.

Responsibility for Financial Statements

The management of Anheuser-Busch Companies, Inc. is responsible for the financial statements and other information included in this annual report. Management has selected those generally accepted accounting principles it considers appropriate to prepare the financial statements and other data contained herein.

The company maintains accounting and reporting systems, supported by an internal accounting control system, which management believes are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 1983, the company, in conjunction with Price Waterhouse, its independent accountants, performed a comprehensive review of the adequacy of the company's internal accounting control system. Based on the comprehensive review, it is management's opinion that the company has an effective system of internal accounting control.

The report of Price Waterhouse on its examinations of the consolidated financial statements of the company appears on page 47 of this report. Its report states that its examinations have been performed in accordance with generally accepted auditing standards. These standards include an evaluation of the system of internal accounting control for the purpose of establishing a scope of audit testing which will provide assurance that the financial statements are fairly stated.

The Audit Committee of the Board of Directors consists of six non-management directors. During 1983 the Audit Committee held four meetings. The functions of the committee are to recommend to the Board the selection, retention or termination of the company's independent accountants; determine through consultation with management the appropriateness of the scope of the various professional services provided by the independent accountants and consider the possible effect of the performance of such service on the independence of the auditors; review the arrangements and the proposed overall scope of the annual audit with management and the independent accountants; discuss matters of concern to the Audit Committee with the independent accountants and management relating to the annual financial statements and results of the audit; obtain from management, the independent accountants and the Director of Internal Auditing their separate opinions as to the adequacy of the company's system of internal accounting control; review with management and the independent accountants the recommendations made by the accountants with respect to changes in accounting procedures and internal accounting control; receive reports from the Business Practices Committee regarding implementation of and compliance with the company's business ethics policy and discuss with management any concerns the Audit Committee may have with regard to the company's business practices; hold regularly scheduled meetings, separately and jointly, with representatives of management, the independent accountants, and the Director of Internal Auditing, to make inquiries into and discuss their activities; and review the overall activities of the company's internal auditors.

Consolidated Balance Sheet

Anheuser-Busch Companies, Inc., and Subsidiaries

ASSETS

(In millions)

December 31,	1983	1982
CURRENT ASSETS:		
Cash (including certificates of deposit of $20.9 in 1983 and $8.1 in 1982)	**$ 32.6**	$ 21.5
Marketable securities, at cost which approximates market	**185.8**	—
Accounts and notes receivable, less allowance for doubtful accounts of $2.9 in 1983 and $2.7 in 1982	**283.6**	243.5
Inventories—		
Raw materials and supplies	**196.5**	197.5
Work in process	**61.1**	67.9
Finished goods	**41.2**	42.4
Other current assets	**96.8**	119.0
Total current assets	**897.6**	691.8
INVESTMENTS AND OTHER ASSETS:		
Investments in and advances to unconsolidated subsidiaries	**57.7**	58.9
Investment properties	**9.1**	9.1
Deferred charges and other non-current assets	**73.7**	76.7
Excess of cost over net assets of acquired business, net	**87.9**	77.4
	228.4	222.1
PLANT AND EQUIPMENT:		
Land	**70.1**	70.8
Buildings	**1,303.6**	1,256.9
Machinery and equipment	**2,622.8**	2,483.8
Construction in progress	**311.6**	158.6
Other real estate	**5.8**	10.3
	4,313.9	3,980.4
Less accumulated depreciation	**1,109.7**	991.5
	3,204.2	2,988.9
	$4,330.2	$3,902.8

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 41-46 of this report.

LIABILITIES AND SHAREHOLDERS EQUITY
(In millions)

December 31,	1983	1982
CURRENT LIABILITIES:		
Short-term borrowings	$ —	$ 25.0
Accrued interest payable	29.9	29.8
Accounts payable	327.8	306.2
Due to customers for returnable containers	31.1	27.2
Accrued salaries, wages and benefits	142.5	131.1
Accrued taxes, other than income taxes	64.3	62.7
Estimated income taxes	48.4	26.4
Other current liabilities	78.5	37.6
Total current liabilities	722.5	646.0
LONG-TERM DEBT	961.4	969.0
DEFERRED INCOME TAXES	573.2	455.1
MINORITY SHAREHOLDERS INTEREST IN CONSOLIDATED SUBSIDIARIES	20.6	21.1
CONVERTIBLE REDEEMABLE PREFERRED STOCK (LIQUIDATION VALUE $300.0)	286.0	285.0
COMMON STOCK AND OTHER SHAREHOLDERS EQUITY:		
Preferred stock, $1.00 par value, authorized 32,498,000 shares in 1983 and 1982; none issued	—	—
Common stock, $1.00 par value, authorized 200,000,000 shares in 1983 and 100,000,000 shares in 1982; issued 48,514,214 and 48,416,087 shares, respectively	48.5	48.4
Capital in excess of par value	167.2	162.7
Retained earnings	1,555.4	1,316.4
Foreign currency translation adjustment	(3.7)	—
	1,767.4	1,527.5
Less cost of 119,552 shares in 1983 and 124,452 shares in 1982 of treasury stock	.9	.9
	1,766.5	1,526.6
COMMITMENTS AND CONTINGENCIES	—	—
	$4,330.2	$3,902.8

CONSOLIDATED STATEMENT OF INCOME

Anheuser-Busch Companies, Inc., and Subsidiaries
(In millions, except per share data)

Year Ended December 31,	1983	1982	1981
Sales	$6,658.5	$5,185.7	$4,409.6
Less federal and state beer taxes	624.3	609.1	562.4
Net sales	6,034.2	4,576.6	3,847.2
Cost of products sold	4,113.2	3,331.7	2,975.5
Gross profit	1,921.0	1,244.9	871.7
Marketing, administrative and research expenses	1,220.2	752.0	515.0
Operating income	700.8	492.9	356.7
Other income and expenses:			
Interest expense	(111.4)	(89.2)	(89.6)
Interest capitalized	32.9	41.2	64.1
Interest income	12.5	17.0	6.2
Other income (expense), net	(18.8)	(8.1)	(12.2)
Gain on sale of Lafayette plant	—	20.4	—
Income before income taxes	616.0	474.2	325.2
Provision for income taxes:			
Current	133.7	92.4	10.4
Deferred	134.3	94.5	97.4
	268.0	186.9	107.8
NET INCOME	$ 348.0	$ 287.3	$ 217.4
Earnings per share:			
Primary	$ 6.50	$ 5.97	$ 4.79
Fully diluted	6.50	5.88	4.61

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 41-46 of this report.

CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY AND CONVERTIBLE REDEEMABLE PREFERRED STOCK

Anheuser-Busch Companies, Inc., and Subsidiaries

	Shareholders Equity (In millions, except per share data)					
	Common Stock	Capital in Excess of Par Value	Retained Earnings	Treasury Stock	Foreign Currency Translation Adjustment	Convertible Redeemable Preferred Stock
BALANCE AT DECEMBER 31, 1980	$ 45.3	$ 58.3	$ 928.7	$ (.9)		
Net income			217.4			
Cash dividends ($1.13 per share)			(51.2)			
Shares issued under stock option plan	.3	8.9				
BALANCE AT DECEMBER 31, 1981	45.6	67.2	1,094.9	(.9)		
Net income			287.3			
Cash dividends ($1.38 per share)			(65.8)			
Shares issued under stock option plan		1.0				
Shares issued in the acquisition of a company						$285.0
Shares issued upon conversion of the 9.00% convertible debentures	2.8	94.5				
BALANCE AT DECEMBER 31, 1982	48.4	162.7	1,316.4	(.9)		285.0
Net income			348.0			
Cash dividends:						
Common ($1.62 per share)			(78.3)			
Preferred ($3.60 per share)			(29.7)			
Shares issued under stock option plan	.1	4.5				
Accretion of preferred stock			(1.0)			1.0
Foreign currency translation adjustment					$ (3.7)	
BALANCE AT DECEMBER 31, 1983	$ 48.5	$167.2	$1,555.4	$ (.9)	$ (3.7)	$286.0

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Anheuser-Busch Companies, Inc., and Subsidiaries
(In millions)

Year Ended December 31,	1983	1982	1981
Financial resources were provided by:			
Operations—			
Net income	$ 348.0	$ 287.3	$ 217.4
Charges to income not involving working capital—			
Depreciation and amortization	187.3	133.6	108.7
Deferred income taxes	118.1	97.4	96.1
Other	42.8	12.6	14.1
Working capital provided by operations	696.2	530.9	436.3
Proceeds from issuance of long-term debt	32.7	127.7	119.8
Issuance of convertible redeemable preferred stock	—	285.0	—
Issuance of common stock on conversion of 9.00% debentures	—	97.3	—
Disposition of Lafayette plant	—	20.6	—
Other	—	40.2	—
	728.9	1,101.7	556.1
Financial resources were used for:			
Capital expenditures	428.0	355.8	421.3
Acquisition of subsidiary, net of liabilities assumed	—	560.0	—
Cash dividends paid	108.0	65.8	51.2
Reduction of long-term debt	40.3	108.1	46.4
(Decreased) increased investment in and advances to unconsolidated subsidiaries	(1.2)	12.1	11.4
Other	24.5	—	6.2
	599.6	1,101.8	536.5
INCREASE (DECREASE) IN WORKING CAPITAL	$ 129.3	$ (.1)	$ 19.6
ANALYSIS OF CHANGES IN WORKING CAPITAL			
Increase (decrease) in current assets:			
Cash	$ 11.1	$ (28.1)	$ 42.7
Marketable securities	185.8	(44.0)	36.9
Accounts and notes receivable	40.1	95.8	4.2
Inventories	(9.0)	79.4	(5.1)
Other current assets	(22.2)	49.4	20.5
	205.8	152.5	99.2
Decrease (increase) in current liabilities:			
Short-term borrowings	25.0	4.5	(13.1)
Installment purchase obligation	—	40.0	(10.0)
Accrued interest payable	(.1)	(2.5)	(3.9)
Accounts payable	(21.6)	(96.4)	(41.8)
Due to customers for returnable containers	(3.9)	(.9)	.3
Accrued salaries, wages and benefits	(11.4)	(49.7)	(18.3)
Accrued taxes, other than income taxes	(1.6)	(2.6)	(5.9)
Estimated income taxes	(22.0)	(21.1)	17.1
Other current liabilities	(40.9)	(23.9)	(4.0)
	(76.5)	(152.6)	(79.6)
INCREASE (DECREASE) IN WORKING CAPITAL	$ 129.3	$ (.1)	$ 19.6

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 41-46 of this report.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Principles and Policies

This summary of significant accounting principles and policies of Anheuser-Busch Companies, Inc., and its subsidiaries is presented to assist in evaluating the company's financial statements included in this report. These principles and policies conform to generally accepted accounting principles and have been consistently followed by the company.

Principles of consolidation

The consolidated financial statements include the company and all its subsidiaries. Certain subsidiaries which are not an integral part of the company's primary operations are included on an equity basis. Several operating subsidiaries of Campbell Taggart, a wholly-owned subsidiary of the company, have minority interest shareholders. Minority interest in income is not material and is recorded in other income (expense), net. The Consolidated Statement of Income includes the operations of Campbell Taggart from November 2, 1982 through year-end, 1983.

Foreign currency translation

Effective January 1, 1983 the company adopted Financial Accounting Standard No. 52, "Foreign Currency Translation." In the application of this statement, exchange adjustments resulting from foreign currency transactions generally are recognized in income, whereas adjustments resulting from translations of financial statements are reflected as a separate component of shareholders equity. The Consolidated Statement of Shareholders Equity and Convertible Redeemable Preferred Stock includes the foreign currency translation adjustment.

Inventories and production costs

Inventories are valued at the lower of cost or market. At December 31, 1983 and 1982, cost is determined under the last-in, first-out method for substantially all brewing inventories and under the first-in, first-out method for substantially all food product inventories. At December 31, 1981 cost is determined for substantially all inventories under the last-in, first-out method.

Plant and equipment

Plant and equipment is carried at cost and includes expenditures for new facilities and those which substantially increase the useful lives of existing plant and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any profit or loss on disposition is credited or charged to income.

The company provides for depreciation of plant and equipment using methods and rates designed to amortize the cost of fixed assets over their estimated useful lives (buildings 2% to 10% and machinery and equipment 4% to 25%). Depreciation is computed principally using the sum-of-the-years-digits method for property acquired between January 1, 1954 and December 31, 1974; the straight-line method is used for property acquired prior to and after this period.

Capitalization of interest

Interest relating to the cost of acquiring certain fixed assets is capitalized. This interest is included as part of the cost of the related asset and is amortized over its estimated useful life.

Income taxes

The provision for income taxes is based on elements of income and expense as reported in the Consolidated Statement of Income. The company has elected to utilize certain provisions of federal income tax laws and regulations to reduce current taxes payable.

Deferred income taxes are recognized for the effect of differences between financial and tax reporting. Investment tax credit is included in income when assets are placed in service or when the credit can be claimed under federal income tax laws relating to qualified progress expenditures.

Expenditures which provide possible future benefits

Research and development, advertising, promotional costs and initial plant costs are charged against income generally in the year in which these costs are incurred.

Net income per share of common stock

Primary earnings per share of common stock are based on the average number of shares of common stock outstanding during the respective years (53.5 million in 1983, 48.1 million in 1982 and 45.4 million in 1981). The convertible redeemable preferred shares are common stock equivalents; accordingly, these shares are assumed to have been converted into common stock at the date of their issuance and are included in the weighted average shares outstanding in computing primary earnings per share.

Notes to Consolidated Financial Statements

The company's 9.00% convertible subordinated debentures (issued in 1980) were called for redemption and converted into 2.8 million shares of common stock on April 29, 1982. Fully diluted earnings per share are computed on the assumption that these convertible securities and all outstanding stock options were converted into common stock as appropriate. Interest expense on the convertible subordinated debentures, net of income taxes, is added back to net income in the fully diluted earnings per share calculation.

2. Acquisition and Disposition

On November 2, 1982 the company acquired all of the outstanding common stock of Campbell Taggart, Inc. (Campbell Taggart). Campbell Taggart, through its operating subsidiaries, is engaged in the production and sale of food and food-related products. The cost of the acquisition was $560.0 million, consisting of $275.0 million paid in cash for approximately 50% of Campbell Taggart's outstanding common stock and 7.5 million shares of Anheuser-Busch convertible redeemable preferred stock with an estimated fair value of $285.0 million issued in exchange for the remaining Campbell Taggart common stock. The estimated fair value of the convertible redeemable preferred stock was determined on August 19, 1982.

The acquisition has been accounted for using the purchase method of accounting. Campbell Taggart's assets and liabilities have been recorded in the company's financial statements at their estimated fair values at the acquisition date. The excess cost of the acquisition over the estimated fair value of the net assets is amortized on a straight-line basis over 40 years.

Assuming the acquisition of Campbell Taggart had occurred on January 1, 1981, the pro forma combined net sales would have been $5.6 billion and $5.1 billion for 1982 and 1981, respectively. The pro forma combined net income and net income per share for 1982 and 1981 would not have been materially different than that reported in the Consolidated Statement of Income.

In March 1982, the company sold its corn refining plant in Lafayette, Indiana, resulting in a nonrecurring, after-tax gain of $13.3 million or $.28 per share (fully diluted). Sales and income from operations of this plant for each of the two years ended December 31, 1982 are not material.

3. Inventory Valuation

Approximately 75% and 74% of total inventories at December 31, 1983 and 1982, respectively, are stated on the last-in, first-out (LIFO) inventory valuation method. Had the average-cost method been used with respect to such items at December 31, 1983 and 1982, total inventories would have been $94.9 million and $83.3 million higher, respectively.

4. Credit Agreements

In August 1982, the company entered into a ten-year revolving credit agreement with a group of eleven domestic banks. The agreement provided for a maximum borrowing of $1.0 billion for a period of five years and reduced borrowings on a scheduled basis thereafter. In December 1983, the agreement was amended to provide for a maximum borrowing of $400.0 million. Interest on the loans will be based, at the option of the company, on the prime rate, the domestic CD rate plus 1/2% or the Euro-Dollar rate plus 3/8% for the first five years, and at scheduled rate increases for periods thereafter. In addition, a negotiated sub-prime borrowing feature is available for the entire term of the agreement. At December 31, 1983 and 1982, the company had no outstanding borrowings under this agreement.

In December 1983, the company terminated its credit agreements with four banks to lend the company up to $25.0 million each. At December 31, 1982, $25.0 million was outstanding under these agreements divided equally among the four banks.

In June 1981, the company entered into a multicurrency revolving credit agreement aggregating $100.0 million or the equivalent amount in alternative currencies. This commitment extends through March 27, 1986. Interest on borrowings in Euro-Dollars and alternative currencies will be 3/8% over the Euro-Dollar Basic Rate, as defined, and on United States currency borrowings, at the company's election, at either a floating rate equal to the prevailing Domestic Floating Base Rate, as defined, plus 3/4% or at a fixed rate equal to the Domestic Fixed Base Rate, as defined, plus 1/2%. At December 31, 1983 and 1982, the company had no outstanding borrowings under this agreement.

Fees under these agreements and a prior $300.0 million agreement, which was in effect from October 1, 1979 to July 1982, amounted to $3.3, $3.7 and $4.3 million in 1983, 1982 and 1981, respectively.

5. Short-Term Borrowings

There are no short-term borrowings at December 31, 1983. Short-term borrowings at December 31, 1982 con-

sist of $25.0 million borrowed equally under the four $25.0 million loan agreements at an interest rate of 11.5%.

6. LONG-TERM DEBT

The only long-term debt issued by the company during 1983 was industrial revenue bonds. In October 1982, the company filed a shelf registration with the Securities and Exchange Commission covering up to $200.0 million of debt securities. On October 12, 1982, $100.0 million of 11-7/8% sinking fund debentures due 2012 were issued under this shelf registration. The company has the option to issue the remaining $100.0 million of debt securities under this registration statement at such time as it considers appropriate.

Long-term debt at December 31 consists of the following:

	1983	1982
	(In millions)	
9.90% Notes due 1986	$100.0	$100.0
15.375% Notes due 1991	50.0	50.0
16.50% Guaranteed notes due 1988	100.0	100.0
11.25% Guaranteed bonds due 1990	100.0	100.0
Sinking fund debentures	472.3	485.2
Industrial revenue bonds	74.3	59.4
Other long-term debt	64.8	74.4
	$961.4	$969.0

The company's sinking fund debentures at December 31 are as follows:

	1983	1982
	(In millions)	
5.45% debentures maturing 1984 to 1991, less $2.5 in treasury in 1983 and $4.5 in 1982	$ 13.9	$ 14.1
6.00% debentures maturing 1984 to 1992, less $3.4 in treasury in 1983 and $4.5 in 1982	19.6	21.2
7.95% debentures maturing 1985 to 1999, less $11.2 in treasury in 1983 and $.1 in 1982	88.8	99.9
9.20% debentures maturing 1986 to 2005	150.0	150.0
8.55% debentures maturing 1989 to 2008	100.0	100.0
11.875% debentures maturing 1993 to 2012	100.0	100.0
	$472.3	$485.2

The aggregate maturities on all long-term debt are $14.9, $15.9, $122.7, $22.4 and $121.9 million, respectively, for each of the years ending December 31, 1984 through 1988.

7. STOCK OPTION PLANS

In December 1981, the company adopted an Incentive Stock Option Plan and a Non-Qualified Stock Option Plan for certain officers and key employees. These plans were approved by the shareholders in April 1982. Under the terms of the plans, options may be granted at not less than the fair market value of the shares at the date of grant. The Non-Qualified Stock Option Plan provides that optionees may be granted Stock Appreciation Rights (SARs) in tandem with stock options. The exercise of a SAR cancels the related option and the exercise of an option cancels the related SAR. The Stock Option Committee of the Board of Directors granted SARs under the 1981 Non-Qualified Stock Option Plan with respect to options for 81,800 and 22,700 shares in 1983 and 1982, respectively. At December 31, 1983 and 1982, 2,371,313 and 2,476,775 shares, respectively, were reserved for possible issuance under the 1981 plans.

Presented below is a summary of changes in stock options under the Incentive Stock Option Plan and the Non-Qualified Stock Option Plan for the year ended December 31:

	1983	1982
Outstanding at beginning of year	1,279,739	1,038,900
Options granted	435,540	292,270
Options/SARs exercised	139,937	27,931
Options cancelled	31,478	23,500
Options outstanding at end of year	1,543,864	1,279,739
Options exercisable at end of year	765,055	377,779
Option price range per share	$40.81-$73.44	$40.81-$64.75

8. PENSION PLANS

The company has pension plans covering substantially all of its employees and follows the policy of funding all pension costs accrued. Total pension expense was $74.0, $52.7 and $41.7 million in 1983, 1982 and 1981, respectively. A comparison of the actuarial present value of accumulated plan benefits and plan net assets, as of the most recent actuarial date, generally January 1, for the company's salaried and hourly paid pension plans combined, is presented below:

	1983	1982
	(In millions)	
Actuarial present value of accumulated plan benefits:		
Vested	$265.6	$239.5
Nonvested	34.2	26.0
	$299.8	$265.5
Net assets available for benefits	$418.7	$325.0

Notes to Consolidated Financial Statements

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8.5% in 1983 and 8.2% in 1982.

9. INCOME TAXES

The provision for income taxes for each of the three years ended December 31, 1983 includes the following:

	1983	1982	1981
	(In millions)		
Current Tax Provision			
Federal:			
Provision	**$156.4**	$123.2	$ 55.3
Charge in lieu of taxes	**—**	11.9	9.2
Investment tax credit:			
Normal	**(32.5)**	(35.0)	(47.5)
TRASOP	**(6.8)**	(7.6)	(4.6)
Safe harbor leases	**—**	(11.9)	(9.2)
	117.1	80.6	3.2
State and foreign	**16.6**	11.8	7.2
	133.7	92.4	10.4
Deferred Tax Provision:			
Federal	**126.4**	88.2	89.9
State and foreign	**7.9**	6.3	7.5
	134.3	94.5	97.4
	$268.0	$186.9	$107.8

In 1982 and 1981, the company purchased tax benefits in the form of accelerated cost recovery allowances and investment tax credits under "safe harbor" leases as defined in the Economic Recovery Tax Act of 1981. The purchase price of these benefits is recorded as an asset which is amortized through a charge to the current tax provision during the initial years of the lease. That portion of the amortization related to the investment tax credit is recorded as a charge in lieu of taxes. In subsequent years of the lease deferred income taxes are provided for the difference between the tax and the financial aspects of the lease. The effect of these leases on net income is not material.

The deferred tax provision results from timing differences in the recognition of income and expense for tax and financial reporting purposes. The primary differences are the calculation of depreciation for tax purposes using accelerated methods and shorter lives and expensing for tax purposes interest cost capitalized for book purposes. These timing differences had a tax effect of $155.2 million in 1983, $113.0 million in 1982 and $94.9 million in 1981.

The Tax Equity and Fiscal Responsibility Act of 1982 required the company to reduce the tax basis of depreciable property by one-half of the investment tax credit claimed on the tax return. The effect of the basis reduction is to reduce the financial impact of the normal investment tax credit to $26.4 million.

The company's effective tax rate was 43.5%, 39.4% and 33.1% in 1983, 1982 and 1981, respectively. A reconciliation between the statutory rate and the effective rate is presented below:

	1983	1982	1981
Statutory rate	**46.0%**	46.0%	46.0%
Charge in lieu of taxes	**—**	2.5	2.8
Investment tax credit:			
Normal	**(5.3)**	(7.4)	(14.6)
TRASOP	**(1.1)**	(1.6)	(1.4)
Safe harbor leases	**—**	(2.5)	(2.8)
State income taxes, net of federal benefit	**1.9**	1.9	1.9
Other	**2.0**	.5	1.2
Effective tax rate	**43.5%**	39.4%	33.1%

10. PREFERRED STOCK

In connection with the acquisition of Campbell Taggart, the company issued 7,500,766 shares of convertible redeemable preferred stock, par value $1. The convertible redeemable preferred stock has a redemption value of $40, requires dividend payments at a rate of $3.60 per year, is non-callable for five years and subject to mandatory redemption at the end of fifteen years. The preferred shares are also convertible into .645 of a share of the company's common stock and have voting rights in this ratio. The difference between the redemption value and the carrying value is being amortized over fifteen years.

11. COMMITMENTS AND CONTINGENCIES

In connection with the plant expansion and improvement program, the company has commitments for capital expenditures of approximately $388.8 million at December 31, 1983.

Obligations under capital leases are not material.

The company and certain of its subsidiaries are involved in claims and legal proceedings in which monetary damages and other relief are sought. The company is contesting these claims and proceedings. However, their resolution is not expected to occur quickly and their ultimate outcome cannot presently be predicted. In any event, it is the opinion of management that any liability of the company or its subsidiaries for such claims or proceedings will not materially affect its financial position.

12. ADDITIONAL INCOME STATEMENT INFORMATION

The following amounts were charged to costs and expenses:

	1983	1982	1981
	(In millions)		
Maintenance	$261.4	$216.8	$168.9
Depreciation and amortization	$187.3	$133.6	$108.7
Taxes, other than income taxes:			
Payroll	$ 82.3	$ 44.7	$ 35.9
Real and personal property	36.1	30.1	27.2
Franchise and other	14.2	7.8	7.0
Total	$132.6	$ 82.6	$ 70.1
Advertising costs	$403.9	$322.3	$233.7

13. BUSINESS SEGMENTS

The company has identified its principal business segments as beer and beer-related, food products and diversified operations. The beer and beer-related segment produces and sells the company's beer products. Included in this segment are the company's raw material acquisition, malting, can manufacturing and recycling operations.

The food products segment consists of the company's food and food-related operations which include the operations of Campbell Taggart since November 2, 1982. In addition, this segment includes the company's yeast and snack food subsidiaries.

Diversified operations consist of the company's entertainment, marketing, communications, transportation and real estate operations.

Sales between segments, export sales and sales by geographic area are not material. The company's equity in earnings of unconsolidated subsidiaries was not significant and has been included in other income and expense. No single customer accounted for more than 10% of sales.

The following summarizes the company's business segment information for 1983 and 1982. Segment information is not presented for 1981 because the company's beer operations represented a dominant industry segment with approximately 92% of the company's total sales and income from operations.

(In millions)

1983:

	Beer and Beer-Related	Food Products	Diversified Operations	Eliminations	Consolidated
Net sales	$4,907.7	$1,320.4	$150.2	$344.1	$6,034.2
Operating income*	649.9	47.3	3.6		700.8
Depreciation and amortization expense	129.5	40.3	17.5		187.3
Capital expenditures	348.1	54.8	25.1		428.0
Identifiable assets	2,994.1	768.6	143.7		3,906.4
Corporate assets**					423.8
Total assets					4,330.2

1982:

	Beer and Beer-Related	Food Products	Diversified Operations	Eliminations	Consolidated
Net sales	$4,488.1	$282.8	$145.1	$339.4	$4,576.6
Operating income*	464.1	23.5	5.3		492.9
Depreciation and amortization expense	110.8	8.8	14.0		133.6
Capital expenditures	310.1	23.4	22.3		355.8
Identifiable assets	2,758.1	779.3	148.9		3,686.3
Corporate assets**					216.5
Total assets					3,902.8

*Operating income excludes other income and expense which is not allocated among segments. For 1983 and 1982 other income and expense was a net expense of $84.8 and $18.7 million, respectively, which includes net interest expense, minority interests, other income and expense and a nonrecurring gain of $20.4 million on the sale of the Lafayette corn refining plant in 1982.

**Corporate assets principally include cash, marketable securities, investment in equity subsidiaries, goodwill and certain fixed assets.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data for 1983 and 1982 (in millions, except per share data) appear below:

	Net sales		Gross profit		Net income		Net income per share Primary		Net income per share Fully diluted	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
First	$1,390.8	$1,016.6	$ 432.9	$ 255.6	$ 68.7	$ 63.9	$ 1.28	$ 1.41	$ 1.28	$ 1.35
Second	1,559.4	1,166.8	512.8	320.8	98.5	75.3	1.84	1.59	1.84	1.56
Third	1,585.1	1,182.5	516.4	340.1	113.8	89.2	2.13	1.85	2.13	1.85
Fourth	1,498.9	1,210.7*	458.9	328.4*	67.0	58.9*	1.25	1.12*	1.25	1.12*
Total year	$6,034.2	$4,576.6	$1,921.0	$1,244.9	$348.0	$287.3	$ 6.50	$ 5.97	$ 6.50	$ 5.88

*The fourth quarter of 1982 includes two months of operations of Campbell Taggart, Inc.

REPORT OF INDEPENDENT ACCOUNTANTS

Price Waterhouse

One Centerre Plaza
St. Louis, Missouri 63101
314/425-0500

To the Shareholders and
Board of Directors of
Anheuser-Busch Companies, Inc.

February 6, 1984

In our opinion, the accompanying Consolidated Balance Sheet and the related Consolidated Statements of Income, Shareholders Equity and Convertible Redeemable Preferred Stock, and of Changes in Financial Position present fairly the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 1983 and 1982, and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1983, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

Supplemental Inflation Adjusted Information

Financial statements prepared in accordance with generally accepted accounting principles present historical costs in dollars of varying purchasing power. Accordingly, the Financial Accounting Standards Board (FASB) has issued guidelines for adjusting certain historical financial information for the effect of inflation. These guidelines require two supplementary income calculations, one which reflects the effects of general inflation (constant dollar approach), the other reflects the effects of changes in specific prices of certain assets used by the company (current cost approach).

FINANCIAL INFORMATION ADJUSTED FOR THE EFFECTS OF INFLATION

Anheuser-Busch Companies, Inc. financial information, adjusted for the effect of inflation in terms of constant dollars and current cost, is shown in Tables 1 and 2 on page 49.

Table 1 covers the five-year period 1979-1983 and shows key financial data in both constant dollars and current cost, stated in average 1983 dollars.

Table 2 contains a statement of income for the year 1983 in both constant dollars and current cost. This table shows the adjustments to historical dollar net income necessary to reflect the effect of inflation in accordance with the guidelines established by FASB Statement No. 33.

Net Income

Under both inflation adjustment concepts, depreciation expense, the inventory component of cost of products sold, and gains or losses on significant dispositions of plant and equipment are the only amounts reported in historical statements of income requiring an adjustment for inflation. Revenues and all other elements of income before taxes are considered to reflect average price levels during the year and accordingly are not adjusted.

Depreciation expense under the constant dollar and current cost approach was determined using the same methods applied in the primary financial statements. Upward adjustments to plant and equipment were required as indicated below:

- Constant dollar; by use of the Consumer Price Index for all Urban Consumers (CPI-U)
- Current cost; by use of externally and internally generated specific price indices.

Under both approaches, depreciation expense was higher than reported in the primary financial statements and accordingly reduced net income from that reported in the historical financial statements.

Because of the nature of its inventories and the inventory valuation method employed, the company has determined that an adjustment to the cost of products sold for the effects of inflation related to inventories is not required. In 1983, approximately 75% of inventories are valued on the last-in, first-out (LIFO) method. Under this method of inventory valuation, current cost of materials are charged to cost of products sold. Other company inventories have such a high rate of turnover that their cost flows to cost of products sold on a current basis.

Shareholders Equity (Net Assets)

Shareholders equity (net assets) represents the difference between all assets and liabilities after appropriate adjustment for the effect of inflation. Recognition of the effect of inflation on shareholders equity requires that adjustments be made to inventory values, property values and all monetary items. These adjustments result in increased depreciation and gains from the decline in the purchasing power of the dollar on net monetary items.

Since inventory and property value increases and purchasing power gains exceed the additional depreciation expense, shareholders equity increases.

Gain From the Decline in the Purchasing Power of Net Monetary Items

In addition to the distortions caused by aggregating dollars of varying purchasing power, inflation also has another effect that is not recognized by conventional accounting. This effect is related to holding gains or losses of net monetary items which are not recognized in historical dollar financial statements.

On December 31, 1983, the company was in a greater net monetary liability position (i.e., monetary liabilities exceeded monetary assets) as compared to December 31, 1982 which results in an unrealized gain. This gain will not be realized until the monetary liabilities are repaid in dollars of decreased purchasing power.

Net Sales, Cash Dividends per Share, Market Price per Share

Net sales and cash dividends per share for 1983 are stated in terms of the amounts (1983 dollars) shown in the company's primary financial statements. The market price per share represents the actual market closing price at December 31, 1983. The corresponding amounts for the years 1979-1983 have been adjusted to their 1983 dollar equivalent by use of the CPI-U.

CONCLUSIONS CONCERNING THE EFFECT OF INFLATION

The methods adopted by the FASB to measure the impact of inflation are experimental in nature, and may not represent the true effect of inflation on the historical financial statements of the company. Accordingly, the resultant measurements should be viewed with caution and not as precise indicators of the effects of inflation on the company.

TABLE 1–Five-Year Comparison of Selected Supplementary Information Adjusted for the Effects of Inflation
(In millions, except per share and statistical data)
(Information stated in average 1983 dollars)

	1983	1982	1981	1980	1979
Constant dollar data:					
Net income	$ 279.6	$ 212.8	$ 169.1	$ 146.9	$ 148.5
Net income per share	5.22	4.36	3.62	3.26	3.28
Shareholders equity (net assets)	3,036.9	2,823.3	2,319.2	2,217.7	2,038.2
Current cost data:					
Net income	288.0	219.4	169.1	145.8	141.3
Net income per share	5.38	4.50	3.62	3.24	3.12
Shareholders equity (net assets)	2,955.3	2,774.6	2,260.8	2,021.8	1,874.8
Excess of increase in general prices over increase in specific prices for inventories and plant and equipment	76.5	87.2	107.3	85.6	67.4
Other information adjusted for general inflation:					
Net sales	6,034.2	4,730.3	4,214.3	3,984.1	3,809.9
Gain from the decline in the purchasing power of net monetary items	61.8	58.3	121.4	140.8	114.8
Cash dividends per common share	1.62	1.43	1.25	1.24	1.20
Market price per share at year end	62.50	66.67	45.05	33.55	30.88
Average consumer price index	298.4	288.7	272.4	246.8	217.4

TABLE 2–Statement of Income Adjusted for the Effects of Inflation
(In millions, except per share and statistical data)

	1983 (1)		
	Historical Dollars	Constant Dollars	Current Cost
Net sales	$6,034.2	$6,034.2	$6,034.2
Cost of products sold	4,113.2	4,181.6	4,173.2
Gross profit	1,921.0	1,852.6	1,861.0
Marketing, administrative and research expenses	1,220.2	1,220.2	1,220.2
Operating income	700.8	632.4	640.8
Interest expense	(111.4)	(111.4)	(111.4)
Interest capitalized	32.9	32.9	32.9
Interest income	12.5	12.5	12.5
Other expense, net	(18.8)	(18.8)	(18.8)
Income before income taxes	616.0	547.6	556.0
Income taxes (2)	268.0	268.0	268.0
Net income	348.0	279.6	288.0
Net income per share	6.50	5.22	5.38
Effective tax rate (2)	43.5	48.9	48.2
Depreciation and amortization	187.3	255.6	247.2
Gain from the decline in purchasing power of net monetary items		61.8	61.8
Increase in general price level of inventories and plant and equipment			161.4
Increase in specific prices of inventories and plant and equipment (3)			84.9
Excess of increase in general prices over increase in specific prices			76.5

(1) Constant dollars and current cost data for 1983 are stated in average 1983 dollars.
(2) Since the inflation adjusted elements of expense are not deductible for income tax purposes, the historical dollar income tax expense is not adjusted under the constant dollar or current cost methods. The resultant higher effective tax rate reflects the greater burden of taxes being borne by the company during inflationary periods.
(3) The current cost of inventories and plant and equipment at December 31, 1983, is $402.7 million and $4.0 billion, respectively.

FINANCIAL SUMMARY—OPERATIONS

Anheuser-Busch Companies, Inc., and Subsidiaries
(In millions, except per share data)

	1983	1982	1981
CONSOLIDATED SUMMARY OF OPERATIONS			
Barrels sold	60.5	59.1	54.5
Sales	$6,658.5	$5,185.7	$4,409.6
Federal and state beer taxes	624.3	609.1	562.4
Net sales	6,034.2	4,576.6	3,847.2
Cost of products sold	4,113.2	3,331.7	2,975.5
Gross profit	1,921.0	1,244.9	871.7
Marketing, administrative and research expenses	1,220.2	752.0	515.0
Operating income	700.8	492.9	356.7
Interest expense	(111.4)	(89.2)	(89.6)
Interest capitalized	32.9	41.2	64.1
Interest income	12.5	17.0	6.2
Other income (expense), net	(18.8)	(8.1)	(12.2)
Loss on partial closing of Los Angeles Busch Gardens	—	—	—
Gain on sale of Lafayette plant	—	20.4	—
Income before income taxes	616.0	474.2	325.2
Income taxes	268.0	186.9	107.8
Income before cumulative effect of an accounting change	348.0	287.3	217.4
Cumulative effect of change to the flow-through method of accounting for the investment tax credit (1)	—	—	—
Net income	348.0	287.3	217.4
Per share—Primary			
Income before cumulative effect of an accounting change	6.50	5.97	4.79
Cumulative effect of change to the flow-through method of accounting for the investment tax credit (1)	—	—	—
Net income	6.50	5.97	4.79
Per share—Fully diluted	6.50	5.88	4.61
Cash dividends paid			
Common stock	78.3	65.8	51.2
Per share	1.62	1.38	1.13
Preferred stock	29.7	—	—
Per share	3.60	—	—
Average number of common shares	53.5	48.1	45.4

NOTES TO FINANCIAL SUMMARY—OPERATIONS

(1) Effective January 1, 1979, the company adopted the flow-through method of accounting for investment tax credits. In prior years, the company followed the practice of adding investment tax credit to income over the productive lives of the assets generating such credit, rather than in the year in which the assets were placed in service. Accordingly, such benefits deferred in prior years are being added to income in the current year.

1980	1979	1978	1977	1976	1975	1974	1973
50.2	46.2	41.6	36.6	29.1	35.2	34.1	29.9
$3,822.4	$3,263.7	$2,701.6	$2,231.2	$1,753.0	$2,036.7	$1,791.9	$1,442.7
527.0	487.8	442.0	393.2	311.9	391.7	378.8	333.0
3,295.4	2,775.9	2,259.6	1,838.0	1,441.1	1,645.0	1,413.1	1,109.7
2,553.9	2,172.1	1,762.4	1,462.8	1,175.0	1,343.8	1,187.8	875.4
741.5	603.8	497.2	375.2	266.1	301.2	225.3	234.3
428.6	356.7	274.9	190.4	137.8	126.1	106.7	112.9
312.9	247.1	222.3	184.8	128.3	175.1	118.6	121.4
(75.6)	(40.3)	(28.9)	(26.7)	(26.9)	(22.6)	(11.9)	(5.3)
41.7	—	—	—	—	—	—	—
2.4	8.4	11.7	7.7	10.3	10.9	9.9	4.8
(9.9)	5.4	.7	4.1	1.7	1.9	4.9	5.3
—	—	—	—	(10.0)	—	—	—
—	—	—	—	—	—	—	—
271.5	220.6	205.8	169.9	103.4	165.3	121.5	126.2
99.7	76.3	94.8	78.0	48.0	80.6	57.5	60.6
171.8	144.3	111.0	91.9	55.4	84.7	64.0	65.6
—	52.1	—	—	—	—	—	—
171.8	196.4	111.0	91.9	55.4	84.7	64.0	65.6
3.80	3.19	2.46	2.04	1.23	1.88	1.42	1.46
—	1.15	—	—	—	—	—	—
3.80	4.34	2.46	2.04	1.23	1.88	1.42	1.46
3.80	4.34	2.46	2.04	1.23	1.88	1.42	1.46
44.8	40.7	37.0	32.0	30.6	28.8	27.0	27.0
.99	.90	.82	.71	.68	.64	.60	.60
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
45.2	45.2	45.1	45.1	45.1	45.1	45.1	45.1

FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Anheuser-Busch Companies, Inc., and Subsidiaries
(In millions, except per share and statistical data)

	1983	1982	1981
BALANCE SHEET INFORMATION			
Working capital	**$ 175.1**	$ 45.8	$ 45.9
Current ratio	**1.2**	1.1	1.1
Plant and equipment, net	**3,204.2**	2,988.9	2,257.6
Long-term debt	**961.4**	969.0	817.3
Total debt to total debt plus equity	**31.9% (1)**	35.4% (1)	42.4%
Deferred income taxes	**573.2**	455.1	357.7
Common stock and other shareholders equity	**1,766.5**	1,526.6	1,206.8
Return on shareholders equity	**18.0%**	19.9%	19.3%
Total assets	**4,330.2**	3,902.8	2,875.2
OTHER INFORMATION			
Capital expenditures	**428.0**	355.8	421.3
Depreciation and amortization	**187.3**	133.6	108.7
Total payroll cost	**1,350.8**	853.3	686.7
Effective tax rate	**43.5%**	39.4%	33.1%
Price/earnings ratio	**9.6**	11.0	8.9
Percent of pre-tax profit on gross sales	**9.3%**	9.1%	7.4%
PRO FORMA INFORMATION ASSUMING RETROACTIVE APPLICATION OF THE FLOW-THROUGH METHOD OF ACCOUNTING FOR THE INVESTMENT TAX CREDIT (3):			
Net income (4)	**348.0**	287.3	217.4
Net income per share (4):			
Primary	**6.50**	5.97	4.79
Fully diluted	**6.50**	5.88	4.61
Common stock and other shareholders equity	**1,766.5**	1,526.6	1,206.8
Return on shareholders equity	**18.0%**	19.9%	19.3%
Book value per share	**36.50**	31.61	26.57
Effective tax rate	**43.5%**	39.4%	33.1%

NOTES TO FINANCIAL SUMMARY— BALANCE SHEET AND OTHER INFORMATION

(1) This percentage has been calculated by including redeemable preferred stock as part of equity because it is convertible into common stock and is trading primarily on its equity characteristics.

(2) This percentage has been adjusted to reflect the change in the method of accounting for the investment tax credit in 1979, but excludes the cumulative effect.

(3) Effective January 1, 1979, the company adopted the flow-through method of accounting for the investment tax credit. In prior years, the company followed the practice of adding investment tax credit to income over the productive lives of the assets generating such credit, rather than in the year in which the assets were placed in service. Accordingly, such benefits deferred in prior years are being added to income in the current year.

(4) Includes the capitalization of interest effective January 1, 1980 that relates to the capital cost of acquiring certain fixed assets.

1980	1979	1978	1977	1976	1975	1974	1973
$ 26.3	$ 88.1	$ 223.7	$ 175.4	$ 182.1	$ 255.4	$ 132.4	$ 69.7
1.1	1.3	1.8	1.8	2.0	2.5	2.1	1.6
1,947.4	1,461.8	1,109.2	952.0	857.1	724.9	622.9	541.2
743.8	507.9	427.3	337.5	340.7	342.2	193.2	93.4
43.4%	36.0%	36.4%	33.4%	35.8%	36.8%	26.7%	15.9%
261.6	193.8	146.9	119.1	93.0	74.6	60.1	48.1
1,031.4	904.3	747.9	673.9	611.9	587.1	531.2	494.3
17.8%	16.9% (2)	15.6%	14.3%	9.2%	15.2%	12.5%	13.8%
2,449.7	1,926.0	1,648.0	1,403.8	1,268.1	1,202.1	931.4	765.2
590.0	432.3	228.7	156.7	198.7	155.4	126.5	91.8
99.4	75.4	66.0	61.2	53.1	51.1	45.0	41.1
594.1	529.1	421.8	338.9	271.4	268.3	244.4	221.0
36.7%	34.6%	46.0%	45.9%	46.4%	48.7%	47.3%	48.1%
7.3	7.1	9.8	9.8	18.8	18.1	17.1	22.7
7.1%	6.8%	7.6%	7.6%	5.9%	8.1%	6.8%	8.7%
171.8	144.3	121.9	98.3	75.5	89.1	69.1	69.6
3.80	3.19	2.70	2.18	1.68	1.98	1.53	1.55
3.80	3.19	2.70	2.18	1.68	1.98	1.53	1.55
1,031.4	904.3	800.1	715.1	646.8	601.9	541.7	499.6
17.8%	16.9%	16.1%	14.4%	12.1%	15.6%	13.3%	14.6%
22.83	19.98	17.72	15.85	14.35	13.36	12.02	11.09
36.7%	34.6%	40.8%	42.1%	27.0%	46.1%	43.1%	44.8%

Investor Information

The Corporation

Anheuser-Busch Companies, Inc. is a diversified corporation whose subsidiaries include the world's largest brewing organization and the country's second largest producer of fresh baked goods, as well as interests in container manufacturing and recycling, malt and rice production, metalized label printing, international beer marketing, baker's yeast, snack foods, family entertainment, real estate development, rail car repair and transportation services, major league baseball, stadium ownership, creative services and cable TV sports programming.

Trademarks

Trademarks of the corporation and its subsidiaries include: Anheuser-Busch, the A & Eagle Design, Budweiser, Bud, Bud Light, King of Beers, Michelob, Michelob Light, Michelob Classic Dark, Mich, Busch, Natural Light, Busch Gardens, The Dark Continent, The Old Country, Adventure Island, Kingsmill, Busch Corporate Center, Cardinals, Eagle (for snacks), Rainbo, Colonial, Earth Grains and El Charrito.

Annual Meeting

The annual meeting of shareholders will be held on Wednesday, April 25, 1984, in St. Louis, Missouri. A formal notice of the meeting together with a proxy statement will be mailed to shareholders in mid-March 1984.

Additional Information

A copy of the company's annual report to the Securities and Exchange Commission (Form 10-K) is available to shareholders without charge upon written request to John L. Hayward, Vice President and Secretary, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Missouri 63118.

Copies of the corporation's "Fact Book," a general information brochure, may be obtained by writing Corporate Communications Department, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Missouri 63118.

Common Stock

Anheuser-Busch Companies, Inc. common stock is listed and traded on the New York Stock Exchange and traded on the Boston, Midwest, Cincinnati and Philadelphia Stock Exchanges and the over-the-counter market. Options in the company's common stock are traded on the Philadelphia Stock Exchange. The stock is quoted as "Anheus" in stock table listings in daily newspapers; the abbreviated ticker symbol is "BUD."

Preferred Stock

Anheuser-Busch Companies, Inc. preferred stock is listed and traded on the New York Stock Exchange. The stock is quoted as "Anheu pf" in stock table listings in daily newspapers; the abbreviated ticker symbol is "BUD pfA."

Dividends

Dividends on both common and preferred stock are normally paid in the months of March, June, September and December.

Dividend Reinvestment

The company's Dividend Reinvestment Plan allows shareholders to reinvest dividends in Anheuser-Busch Companies, Inc. common stock automatically, regularly and conveniently—without service charges or brokerage fees. In addition, participating shareholders may supplement the amount invested with voluntary cash investments on the same cost-free basis. Plan participation is voluntary and shareholders may join or withdraw at any time.

Full details concerning the plan are available by writing to Morgan Guaranty Trust Company of New York, Dividend Reinvestment Plan, P.O. Box 3506, New York, New York 10008. Be certain to include a reference to Anheuser-Busch Companies, Inc.

TRANSFER AGENT—COMMON STOCK AND PREFERRED STOCK

Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

REGISTRARS—COMMON STOCK AND PREFERRED STOCK

Mercantile Trust Company National Association
721 Locust Street
St. Louis, Missouri 63101

Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

DIVIDEND DISBURSING AGENT

Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

TRUSTEES—DEBENTURES/NOTES

5.45%, 6.00% and 11-7/8% debentures:
Chemical Bank
20 Pine Street
New York, New York 10015

7.95%, 8.55% and 9.20% debentures:
Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

9.90% notes:
Citibank, N.A.
5 Hanover Square
New York, New York 10043

11.25% guaranteed bonds and
16.50% guaranteed notes:
Manufacturers Hanover Trust Company
40 Wall Street
New York, New York 10015

15-3/8% notes:
InterFirst Bank Dallas, N.A.
1601 Elm Street
Dallas, Texas 75283

INDEPENDENT ACCOUNTANTS

Price Waterhouse
One Centerre Plaza
St. Louis, Missouri 63101

CORPORATE OFFICES

One Busch Place
St. Louis, Missouri 63118
(314) 577-2000

Officers

Anheuser-Busch Companies, Inc.

Policy Committee

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Chairman of the Board and President

Dennis P. Long*
Vice President and Group Executive

Jerry E. Ritter*
Vice President and Group Executive

Barry H. Beracha
Vice President and Group Executive

Patrick T. Stokes
Vice President and Group Executive

John H. Purnell
Vice President and Group Executive

W. Randolph Baker
Vice President and Group Executive

Stephen K. Lambright
Vice President and Group Executive

C.B. Lane, Jr.
President–Campbell Taggart, Inc.

Stuart F. Meyer
Vice President–Corporate Human Resources

*Members of the Corporate Office

Other Officers

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Vice President and Secretary

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Vice President–Senior Counsel, Industry and Government Affairs

Margaret S. Busch
Vice President–Corporate Promotions

Thomas A. Aldrich
Vice President and Corporate Representative

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Vice President–Corporate Engineering

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Vice President–Corporate Affairs

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Vice President–Corporate Financial Planning

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Senior Vice President–Wholesaler/Industry Affairs

Donald W. Kloth
Vice President–Materials Acquisition

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Treasurer

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Tax Controller

H. F. Suellentrop
Assistant Treasurer

JoBeth Brown
Assistant Secretary

Knut C. Heise
Assistant Secretary

Richard A. Schwartz
Assistant Secretary

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President and Chief Operating Officer

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Executive Vice President

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Vice President–Brewing

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Vice President–Operations

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Vice President–Beer Planning

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Vice President–Administration

T. Michael Carpenter
Vice President–Wholesale Operations

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Vice President–Quality Assurance

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Vice President–Plant Operations

Michael J. LaMonica
Vice President–Marketing Staff

John N. MacDonough
Vice President–Brand Management

Joseph E. Martino
Vice President–Sales

Klaus D. Zastrow
Vice President–Brewing Technical Services

Edward G. Martin
Vice President–International Brewing and Development

William L. Rammes
Vice President–Operations Control

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Vice President and Resident Manager–St. Louis

Henry H. Brown
Vice President–Market Development

Charles B. Fruit
Vice President–Corporate Media

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Vice President–National Account Sales

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Vice President–Operations and Engineering

Richard C. White
Vice President–Finance and Administration

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President

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Vice President and General Manager

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Vice President–Malt Operations

Louis L. Werner
Vice President–Rice Operations

Container Recovery Corporation

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Executive Vice President

William I. Solomon
Vice President and General Manager

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Vice President and Director of Operations

Johnson C. Leung
Vice President and Regional Director

David E. Cortright
Vice President–Finance and Planning

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President and Chief Executive Officer
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Executive Vice President–Bakery Division
David S. Leavenworth
Executive Vice President–Administration and Diversified Operations
B. L. Bowden
Vice President–Cost Control
Thomas E. Burnett
Vice President–Marketing and Operations
R. C. Clack, Jr.
Vice President–Human Resources
Frank R. Goley
Vice President–Engineering
Richard L. Green
Vice President–Risk Management
Henry J. Himmelberg
Vice President and Controller
Jaime Iglesias
Vice President–International
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Vice President–Merico Cake
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Vice President–National Accounts
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Vice President and Treasurer
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Lawrence J. Shine
Vice President–Productivity and Capital Management
Harold D. Slankard
Vice President–Labor Relations
Eugene E. Wisakowsky
Vice President–Quality Control and Assurance
Paul A. Wright
Vice President–Production Services

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Chairman of the Board and President
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Vice President and General Manager
William H. Opdyke
Vice President–Operations
Allen W. Sherman
Vice President–Brand Management and Sales Administration
Timothy J. Fleming
Vice President–Sales

Busch Industrial Products Corporation

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President
Arthur C. Litchfield
Vice President–Production
Ivan S. Dobson
Vice President–Planning and Development
M. Wayne Somers
Vice President–Marketing
James J. Fischer
Vice President–Finance

Busch Entertainment Corporation

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Chairman of the Board and President
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Vice President and General Manager
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Vice President–Engineering
R. Burl Purvis
Vice President–Revenue
John B. Roberts
Vice President–Operations
Mark Sauer
Vice President–Finance and Planning
Brian D. Smith
Vice President–Marketing

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Vice President–Finance and Planning
Harry D. Knight
Vice President and General Manager–Kingsmill and Assistant Secretary
John C. Martz, Jr.
Vice President–Corporate Real Estate, Assistant Secretary and Assistant Treasurer

St. Louis National Baseball Club, Inc.

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Chairman of the Board and President
August A. Busch III
Vice President
Stanley F. Musial
Senior Vice President
Fred L. Kuhlmann
Vice President
Margaret S. Busch
Vice President
Gary A. Blase
Vice President–Business Operations

Civic Center Corporation

Kenn A. Reynolds
President and Chief Executive Officer
John E. Taylor, Jr.
Vice President, Controller, and Assistant Secretary–Treasurer

Busch Creative Services Corporation

W. Randolph Baker
Chairman of the Board
Joseph J. Kramer
President

St. Louis Refrigerator Car Company

August A. Busch, Jr.
Chairman of the Board
Roy W. Chapman
President
David Hamel
Vice President–Operations
Edward R. Goedeke, Jr.
Vice President–Marketing

Manufacturers Railway Company

August A. Busch, Jr.
Chairman of the Board and Chief Executive Officer
Roy W. Chapman
President
Edward R. Goedeke, Jr.
Vice President–Marketing
Eldon D. Harris
Vice President–Operations and Secretary

DIRECTORS

Anheuser-Busch Companies, Inc.

Directors

August A. Busch III
Chairman of the Board and President

August A. Busch, Jr.
Honorary Chairman of the Board

Richard T. Baker
Former Managing Partner–Ernst & Ernst (now Ernst & Whinney); certified public accountants, and presently Consultant to that firm

Margaret S. Busch
Vice President–Corporate Promotions

Peter M. Flanigan
Managing Director–Dillon, Read & Co. Inc.; an investment banking firm

Roderick M. Hills
Chairman of the Board and Chief Executive Officer–Sears World Trade, Inc.; the international trading subsidiary of Sears, Roebuck and Co.; and Of Counsel to Latham, Watkins & Hills; attorneys

Edwin S. Jones
Former Chairman of the Board–First Union Bancorporation (now Centerre Bancorporation); a multi-bank holding company

Fred L. Kuhlmann
Vice Chairman of the Board and former Executive Vice President

Vilma S. Martinez
Partner–Munger, Tolles & Rickershauser; attorneys

Sybil C. Mobley
Dean of the School of Business and Industry–Florida A&M University

James B. Orthwein
Former Chairman and Chief Executive Officer–D'Arcy MacManus Masius Worldwide, Inc.; a general advertising agency and presently Consultant to that company

W. R. Persons
Former Chairman and Chief Executive Officer and presently Chairman of the Finance Committee–Emerson Electric Company; a manufacturer of electrical and electronic equipment

Walter C. Reisinger
Special Representative–Customer Relations–Anheuser-Busch Companies, Inc.

Armand C. Stalnaker
Chairman of the Board–General American Life Insurance Company; a carrier of individual and group health and life insurance and annuities

Fred W. Wenzel
Chairman of the Board and Chief Executive Officer–Kellwood Company; a manufacturer of recreation equipment, home fashions and apparel

Director Emeritus

M. R. Chambers
*Former Chairman of the Executive Committee and Director–*INTERCO INCORPORATED

ANHEUSER-BUSCH
COMPANIES, INC.